

06 April 2017

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Australian Energy Market Commission  
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Attention: Ms. Victoria Hillier

By e-mail:

### **AEMC Minor Changes 2017 - ERC0217**

Energy Networks Australia welcomes the opportunity to make a brief submission to the Australian Energy Market Commission's (AEMC) Minor Changes 2017 Consultation Paper (ERC0217) released on 9 March 2017.

Energy Networks Australia is the national industry body representing businesses operating Australia's electricity transmission and distribution and gas distribution networks. Member businesses provide energy to virtually every household and business in Australia.

Energy Networks Australia has compared the AEMC's proposed changes against Version 89 of the National Electricity Rules<sup>1</sup>. Our comments on the AEMC's proposed minor changes are below (with relevant excerpts included in Attachment # 1).

In addition to the AEMC's proposed amendment to Clause 3.6.5(a)(4D): we recommend deleting "*interconnecters*" and replacing with "*interconnectors*"

We note the proposed substitution of Clause 3.13.5(c): **Ancillary Services contracting by AEMO**, from the existing:

"(c) Information *published* under paragraph (b) must include:

- (1) the actual costs and quantities associated with each type of *market ancillary service* acquired over the preceding 12 months in respect of each *region*; and

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<sup>1</sup> The rules were accessed on 21 March and 4 April 2017.

(2) in the case of NSCAS, a breakdown of the actual costs and quantities relating to each *facility* contracted under *ancillary services agreements*<sup>2</sup>

to the following:

“(c) Information *published* under paragraph (b) must include a breakdown of the actual costs and quantities relating to each *facility* contracted under *ancillary services agreements*.”

The revised wording is acceptable, as long as the AEMC is confident that “*ancillary services agreements*” only relate to “*non-market ancillary services*”. Energy Networks Australia notes that there may be some confusion as the Glossary currently defines “*ancillary services*”<sup>3</sup> as comprising both “*Market ancillary services*” and “*non-market ancillary services*”.

The AEMC’s proposed amendment to Clause 5.20.3(c)(2) proposes to substitute the italicised “*non-network option*”. This should be pluralised to read “*non-network options*”.

We note that references in the proposed AEMC amendments to Clause 6.6.3: **Demand management and embedded generation connection incentive scheme** appear inconsistent with the equivalent clause in version 89 of the NER (refer Attachment 1). A similar inconsistency occurs for the proposed substituted definition of ***demand management and embedded generation connection incentive scheme***.

Finally, we note the AEMC’s removal of “(in the context of Chapter 5A)” in the Glossary to the definition of “*real estate developer*”. It appears that the same phrase is used in the definition of “*real estate development*” and may also need to be removed.

Should you have any additional queries, please feel free to contact Norman Jip, Energy Network Australia’s Senior Program Manager – Transmission on (02) 6272 1521 or [njip@energynetworks.com.au](mailto:njip@energynetworks.com.au).

Yours sincerely,



**John Bradley**  
Chief Executive Officer

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<sup>2</sup> The Glossary (Chapter 10) defines an *ancillary services agreement* as “An agreement under which an *NMAS provider* agrees to provide one or more *non-market ancillary services* to AEMO” (p.1125).

<sup>3</sup> *Ibid*, p.1125.

## Attachment 1 – Excerpts from the National Electricity Rules (Version 89)

### Clause 3.6.5(a)(4D):

(4D) for the purposes of paragraph (4B), **importing region** means the *region* to which electricity is transferred during the relevant *trading interval* from another *region* through regulated *interconnectors*; (Page 103)

### Clause 5.20.3

(2) technically feasible *network* and non-*network* options (including additional *generation* and demand side options) for relieving current or likely *constraints* or congestion points; (Page 514)

### Clause 6.6.3 Demand management incentive scheme

(Page 693)

(a) The AER must develop a *demand management incentive scheme* consistent with the *demand management incentive scheme objective*.

(b) The objective of the *demand management incentive scheme* is to provide *Distribution Network Service Providers* with an incentive to undertake efficient expenditure on relevant *non-network options* relating to demand management (*the demand management incentive scheme objective*).

### Chapter 10 (Page 1198)

#### *real estate developer*

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1

#### *real estate development*

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1