

16 November 2022

Ms Gillian Gout
Director, Strategic Policy and Energy Systems Innovation
Australian Energy Regulator

Sent via email

Ring-fencing class waiver – RERT via voltage management

Dear Ms Gout,

Energy Networks Australia (**ENA**) welcomes the opportunity to provide a response to the Australian Energy Regulator's (**AER**) ring-fencing class waiver initiation notice for Reliability and Emergency Reserve Trader (**RERT**) services via voltage management.¹

ENA is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

ENA supports the AER's proposed class waiver, which will enable distribution network service providers to contract with the Australian Energy Market Operator (**AEMO**) to provide RERT services via voltage management.

We highlight that the class waiver has been initiated following a request from AEMO after it identified an increasing need for the use of RERT services in the future, particularly given the forecast reliability gaps for all mainland regions from 2022-23 to 2031-32. As noted by the AER, it is important that AEMO has access to various RERT panel members as required, to safeguard the security of the energy market during 'Lack of Reserve' events.

An increase in the number of providers available to the RERT panel is likely to increase competition in the provision of RERT services which, as highlighted by the AER, may help to both improve reliability and reduce RERT charges which are passed on to consumers through electricity bills.

ENA supports the AER's proposed class waiver conditions, including the requirement to provide the AER with an annual performance report if RERT services are provided. We also note the broader framework compliance obligations, including annual independent external ring-fencing compliance reports.

ENA, however, recommends that the AER give further consideration to the class that the waiver will apply to – specifically, whether it should be broadened to allow distribution network service providers to provide RERT services via any means applicable under the National Electricity Rules, rather than limiting the service provision via the means of voltage management.

Allowing distribution network service providers to provide RERT services by any means available to them would strengthen competition in RERT services and therefore likely bring additional benefits, in the form

¹ AER, [Initiation Notice: Ring-fencing class waiver for RERT via voltage management](#), November 2022.

of lower RERT charges, to consumers. This increases the value consumers get from network assets through the AER's shared asset guideline.

ENA welcomes continued engagement and collaboration with the AER to ensure that the regulatory framework is fit-for-purpose and facilitates network businesses providing solutions that are in the long-term interests of customers. If you wish to discuss any of the matters raised in this letter further, please contact Lucy Moon, Head of Regulation, on lmooon@energynetworks.com.au.

Yours sincerely,



Garth Crawford
General Manager, Economic Regulation