

18/05/2018

Mr Peter Adams
General Manager, Wholesale Markets
Australian Energy Regulator

By email: AERInquiry@aer.gov.au

Dear Peter,

Transmission Annual Planning Report Guideline consultation paper

TransGrid welcomes the opportunity to respond to the Australian Energy Regulator's (AER) consultation paper in relation to its Transmission Annual Planning Report (TAPR) Guideline.

TransGrid is the operator and manager of the high voltage transmission network connecting electricity generators, distributors and major end users in New South Wales and the Australian Capital Territory. TransGrid's network is also interconnected to Queensland and Victoria, and is instrumental to an electricity system that allows for interstate energy trading.

In accordance with the National Electricity Rules (NER), TransGrid undertakes an annual planning review and publish the results by 30 June each year in the TAPR. TransGrid supports the TAPR's role as a forward-looking document which provides useful information for stakeholders in relation to network planning, and potential opportunities for non-network alternatives. The TAPR assists in identifying an appropriate level of investment to enable the network provider to deliver required services at an efficient cost.

We also support the AER's TAPR guideline as a means of establishing some consistency between the TAPRs produced by different transmission network service providers (TNSPs). However, we consider the proposed TAPR data specifications go well beyond the content requirements and purpose contained in the NER.

In May 2017, the Australian Energy Market Commission (AEMC) published a final determination which requires TNSPs to include certain additional information in their annual planning reports, including information about network constraints, load forecasting methodologies and changes since the last report.¹ It requires the AER to develop a guideline to support consistency across planning reports produced by different TNSPs.

We support the intention of the AEMC's final determination which was to promote consistency across TNSPs' TAPRs through the development of a guideline by the AER. Consistent with good regulatory practice, the AER's TAPR guideline should:

1. seek to achieve greater consistency in areas that would provide significant value to the market,
2. be reasonable and practical to implement, and
3. should not prevent individual TNSPs from including other information it considers necessary to meet its own, local, stakeholder requirements.

¹ AEMC 2017, Transmission Connection and Planning Arrangements, Rule Determination, 23 May 2017, Sydney

We have some concerns that the guideline may not be consistent with the original intent of the Rule changes. These concerns are outlined below.

- > **The rationale for seeking some of the information is not clear.** The draft guideline published by the AER proposes a number of additional information types to be included in the TAPR which are beyond those specified in the NER. The rationale for these additions is not clear as they do not appear relevant for non-network providers in developing potential solutions. It appears that the AER may be seeking data and information to fully replicate the TNSP's annual planning review, rather than sufficient information to identify opportunities. This information is extensive and would be costly to maintain.
- > **A large part of the proposed information is historical and will not be of any value to the planning process.** The information that is useful for non-network providers is primarily listed under the "emerging network constraints" category. We note that much of this information is already provided in TransGrid's TAPR, or in other existing documents.
- > **Some of the information requested by the AER can only be provided by TransGrid and other TNSPs if they are able to source information from the relevant Distribution Network Service Providers (DNSPs).** TNSPs can request but not oblige DNSPs to provide this information. Therefore we suggest the guideline should specify that TNSPs provide this information where they have been provided it by DNSPs on request.

If the AER does require the full suite of information suggested in the consultation paper, it will involve a significant amount of additional work by TNSPs, with an associated cost. TransGrid would anticipate that this increase in cost be treated in a manner consistent with the increase in allowed operating costs which resulted from the Regulatory Information Notices (RIN) data. We expect the additional cost could be a similar order of magnitude, in the order of \$500,000 per annum.

The Table in Attachment One to this letter provides comments on the individual items of information proposed by the AER, whether TransGrid supports provision of this information as part of the TAPR, and the underlying reasoning for our response. We are also interested to understand how this work interacts to related processes underway to ensure that the AER and other energy governance bodies minimise the potential for regulatory duplication. We note that the AER delayed publication of the TAPR guideline to ensure consistency with consultations on the Integrated System Plan (ISP). However, it is not clear how the proposed data requirements align with the ISP. In addition, the Energy Security Board has commenced consultation on Energy Market Data Strategy, but this is not mentioned in the AER consultation paper.

The relationship between the TAPR where opportunities are identified, and the Regulatory Investment Test for Transmission process where a request for proposals may be included, should also be given more consideration. Excessive and irrelevant data may confuse service providers on requirements and impede the provision of non-network solutions.

If you would like to discuss any matter raised in this submission, please contact Caroline Taylor, Manager Regulatory Policy on 02 9284 3715.

Yours faithfully



Tony Meehan
Executive Manager, Regulation

Attachment One

Information requested by proposed AER Guideline	Does TransGrid support inclusion in the TAPR?	TransGrid comments
Transmission connection point		
Connection point ID	Yes	
Location – latitude and longitude	No	The collation of specific network asset data raises security concerns. Sufficient information already provided in network map in TAPR.
Customer number and type	No	Unlikely to be useful to interested parties. TNSPs must rely on DNSPs to provide this information – they are not obligated. Would require Rule change to oblige DNSPs to provide this information to TNSPs.
Load forecast: <ul style="list-style-type: none"> 10% POE 50% POE Forecast daily demand profile 	Yes, but not as MVA No	TransGrid already provides this in MW and MVA _r . Would rely on information from DNSPs to calculate the MVA (see point above). This is granular information best provided by DNSPs. TNSPs rely on DNSPs to provide load profile information, and it has not been provided when requested in the past.
Historic load trace	No	Not useful for planning purposes as it looks backward not forward. This is already available at a transmission level from AEMO's OPDMS system, and it would not be efficient to replicate data in the TAPR.
Historic primary plant ratings	No	Not useful for planning purposes as it looks backward not forward. Primary plant ratings at a transmission level are already publicly available, published by AEMO on their public website (unlike DNSPs), and it would not be efficient to replicate the data in the TAPR.
Value of customer reliability	No	Only relevant to areas of potential network constraints. TransGrid uses VCR estimates from other organisations including IPART and AEMO. TransGrid notes that there is a current Rule change request from COAG for the AER to publish VCR in future, and it would not be

		efficient to replicate data in the TAPR.
Outages	Yes	Only relevant to areas of potential network constraints. Note that this information is already provided to the AER in relation to STPIS requirements.
Primary plant asset age	No	Not useful in the planning process, as planning is not undertaken based on age. TransGrid already provides a range of information on asset age as part of the regulatory information notice (RIN).
Primary plant fault rating	No	TransGrid shares this information on a project by project basis. Publishing this information in the TAPR is unlikely to provide any value to a wider audience.
Primary plant reactive capability	No	

Transmission line

Line ID	Yes	This information is already provided currently in the network map which is an existing requirement of the TAPR.
Location – latitude and longitude	No	The collation of specific network asset data raises security concerns. Sufficient information already provided in network map in TAPR.
Conductor type, rating, year of installation	No	Transmission line ratings are already publicly available, published by AEMO on their public website (unlike DNSPs), and it would not be efficient to replicate data in the TAPR. Conductor type and year of installation provides a level of detail that is not required.
Historic load trace	No	Not useful for planning purposes as it looks backward not forward. In most cases, transmission line flows will not reflect specific loads but rather power flows between different parts of the network. This is already available from AEMO's OPDMS system, and it would not be efficient to replicate data in the TAPR.
Outages	Yes	Only relevant to areas of potential network constraints. Note that this information is already provided to the AER in relation to STPIS requirements.

Emerging limitations

Limitation location	Yes	This information is considered as part of the investment assessment process and is either provided already, or can be incorporated into the TAPR with relative ease. Note: investments are also driven by other factors
Maximum load at risk per year	Yes	
Hours of load at risk per annum	Yes	

and on peak day		other than reliability for example safety and environmental factors; market benefits.
Expected unserved energy	Yes	
Economic cost of constraint	Yes	
Preferred network solution	Yes	
Proposed timing	Yes	