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Australian Energy Regulator

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2024 Review of revenue determination guideline for NSW non-contestable network projects

AGL Energy (AGL) welcomes the opportunity to respond to the Australian Energy Regulator's (AER) draft amendments to the revenue determination guideline for NSW non-contestable projects.

About AGL

Proudly Australian for more than 185 years, AGL supplies around 4.3 million energy and telecommunications customer services. AGL is committed to providing our customers simple, fair and accessible essential services as they decarbonise and electrify the way they live, work and move.

AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, batteries and other firming technology, and gas production and storage assets. We are building on our history as one of Australia's leading private investors in renewable energy to now lead the business of transition to a lower emissions, affordable and smart energy future in line with the goals of our Climate Transition Action Plan.

The draft guidelines

AGL is supportive of the draft proposal to amend the Guideline by removing the requirement for the AER to make a draft decision in response to a revenue proposal, and instead publish a preliminary position paper. We understand that the preliminary position paper will provide stakeholders with key AER reasoning on the major or contentious issues arising from the revenue proposal. Also, the preliminary position paper is anticipated to include the upcoming timelines and milestones for the revenue determination. We expect this will enhance transparency in the assessment of the revenue proposal and make it easier for stakeholders and other participants to engage and provide contributions to the revenue proposal process.

The AER's guidelines state that once the preliminary position paper is released, a public consultation will be held for 15 business days, including a public forum to receive feedback from stakeholders. The AER has indicated the public consultation process will provide stakeholders the opportunity to make submissions on both the Network Operator's revenue proposal and the preliminary position paper. AGL supports this change. However, we suggest that the AER considers whether additional time can be provided to stakeholders so that they can better understand the preliminary position paper and the revenue proposal. For example, the draft guideline notes the AER may hold a public forum around 10 business days following the release of the preliminary position paper. Holding a public forum at least 15 business days after the release of the preliminary position paper would improve the level of stakeholder engagement. Following on from this, AGL would support an overall extension of the public consultation process to 20 days.

AGL believes that this opportunity is crucial, as stakeholders may hold different views to the AER on what the material or contentious issues are. Therefore, it is essential that stakeholders have the chance to submit their feedback on both the documents (the Network Operator's revenue proposal and the preliminary position paper by the AER) to ensure all relevant issues are addressed. AGL strongly supports this approach and advocates for its inclusion in the final amendment.

If you have queries re this submission, please contact wvosper@agl.com.au.

Yours sincerely,

Anton King

A/g Senior Manager Wholesale Markets Regulation