

15 November 2024

Kris Funston
Executive General Manager Network Regulation
Australian Energy Regulator

Sent via email: ResetCoord@aer.gov.au

Dear Mr Funston,

Jemena – Determination 2021-2026 – Application to reopen for capex

Energy Networks Australia (ENA) appreciates the opportunity to respond to Jemena's application to reopen its 2021-2026 distribution determination to adjust the total approved capital expenditure.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 strongly supports Jemena's application to reopen its 2021-2026 distribution determination to enable the recovery of material unforeseen costs associated with customer-initiated major connection projects.

The energy system is reshaping at speed, with greater levels of uncertainty around technology, customer preferences and grid usage. An adaptable and flexible regulatory framework is essential to ensure that network businesses are able to continue to meet customers' needs during the energy transition.

Connecting new customers is a key part of Jemena's service obligations as a distribution network service provider (DNSP) and denying or delaying connection requests would be in contradiction to Jemena's obligations.

The capital expenditure reopener mechanism in the National Electricity Rules plays an important role in ensuring that determinations can be reopened for material events that are beyond the control of DNSP. The 13-fold increase in customer-initiated major connection capacity is significantly more than that approved for Jemena's current regulatory period and could not have been reasonably foreseen at the time of Jemena's 2021-2026 regulatory reset, especially given the demand uncertainty during the COVID-19 pandemic.

Importantly, new major connections, and in particular data centre customers, are expected to benefit all existing customers by improving average network utilisation and bringing greater scale efficiencies.

If you wish to discuss any of the matters raised in this response further, please contact Victoria Baikie, Economic Analyst, on [REDACTED].

Yours sincerely,

[REDACTED]

Garth Crawford
General Manager Economic Regulation

¹ AER, Jemena Determination 2021-26, [Update – Application to reopen for capex](#), 15 October 2024