



Queensland Treasury

Our Ref: MN11928-2024

27 November 2024

Mr Peter Scott
Chief Executive
Energy Queensland Limited

Email: [REDACTED]

Dear Mr Scott

Thank you for your letter of 20 September 2024 to the former Director-General as the Regulator of the *Electricity Act 1994*, regarding the Energex Regulatory Proposal and the Australian Energy Regulator's (AER) interpretation of safety net obligations.

At a high level, the Safety Net obligations establish targets for the timely restoration of supply following a significant service interruption. These provisions were introduced in 2014 in recognition that the previous mandatory N-1 security standards can be achieved through smarter alternatives than simply increasing the redundancy of large critical assets.

The Distribution Authorities (DA) of both Energex and Ergon Energy were amended to require the entities to design, plan and operate their supply networks to achieve the Safety Net targets.

I wish to clarify the Regulator's interpretation of the tables in the DA. The original framing and interpretation of the Safety Net targets in the DA is consistent with Energex's interpretation.

I hope this information answers your enquiry. If you need any more information or help with this matter, I can be contacted on [REDACTED] or email [REDACTED].

Yours sincerely



Shaun Leggate
Executive Director
Supply and Storage
Queensland Treasury
(delegate of the Regulator under the Electricity Act 1994)