



Ref. A5155295

31 March 2023

Dr Kris Funston
Executive General Manager, Network Regulation
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601

Via email: networksinformation@aer.gov.au

Dear Dr Funston,

SUBMISSION ON NETWORK INFORMATION REQUIREMENTS REVIEW

Powerlink Queensland welcomes the opportunity to respond to the Australian Energy Regulator's (AER's) Preliminary Decision for the Network Information Requirements Review.

We are committed to working with the AER to develop information requirements for regulated electricity Network Service Providers (NSPs) that:

- minimise compliance costs, which are ultimately funded by electricity consumers; and
- provide confidence to consumers, industry stakeholders and NSPs that the information provided to the AER has a well-defined and demonstrated case for its collection and use.

We support the introduction of a Regulatory Information Order (RIO) for Transmission Network Service Providers (TNSPs), and for the first Annual Information Order (AIO) to apply for four years. However, we recommend the first AIO apply from 2024/25 to ensure we have sufficient time to implement changes to internal processes and systems to meet changes to the information requirements. Further, given the current Regulatory Information Notices (RINs) already apply for the 2023/24 regulatory year there is not an urgent need for the AIO to apply for 2023/24. We also note the AER intends to review the detailed specification for its transmission benchmarking framework, as well as review the transmission Service Target Performance Incentive Scheme (STPIS), to ensure these regulatory tools are fit-for-purpose for the energy transition. A delay to the new AIO to 2024/25 will allow the outcomes of these reviews to be incorporated into the new instrument from the start.

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We acknowledge the significant work undertaken by the AER to review, consolidate and update information requirements in its Preliminary Draft AIO. We also welcome the AER's removal of a number of requirements from the AIO, such as labour expenditure in the Category Analysis RIN which required us to use categories and classifications that we do not adopt as part of normal business.

To ensure the new framework is fit-for-purpose and future compliance costs are minimised we recommend the AER:

- reconsider and clarify what it seeks to achieve via revenue and pricing information requirements, and update this part of the AIO in its Draft Decision;
- remove safety incident data from the AIO, as this data is not aligned with network safety in the context of the National Electricity Objective (NEO), and would conflate the AER's role as an economic regulator with jurisdictional electrical safety, and workplace health and safety regulation; and
- remove the second Service Performance Workbook (05B) from the AIO as it reflects a version of the STPIS that no longer applies to any electricity transmission network.

The AER has stated that definitions of terms and concepts in the AIO substantially mirror those in existing information requirements. To assist the comparison of definitions between the AIO framework and current instruments we recommend the AER, in its Draft Decision, issue a consolidated list of existing definitions with (draft) changes marked-up. To provide ongoing clarity on definitions to NSPs and stakeholders, we also recommend the AER include all definitions in the AIO Instrument.

Detail on these and other matters are in provided attachments A and B.

If you have any questions regarding this submission or would like to meet with Powerlink to discuss this matter further, please contact [REDACTED].

Yours sincerely,

Jacqueline Bridge
EXECUTIVE GENERAL MANAGER, ENERGY FUTURES

ATTACHMENT A: DETAILED FEEDBACK NETWORK INFORMATION REQUIREMENTS REVIEW PRELIMINARY DECISION

1. Proposed Data Requirements

In our submission on the AER's Discussion Paper (Initial Submission) we supported an approach to streamline information requirements for networks. These requirements impose costs on TNSPs which are ultimately borne by electricity consumers. We will incur costs to meet changes to existing, and the introduction of new, information requirements in the AIO.

We also suggested that for network businesses and consumers to have confidence that the information obligations provide value for money, the AER should publish advice that describes the purpose for the data items collected and how they will be used. In this context, we appreciate the engagement with AER staff in workshops in 2022, and welcome the AER's publication of Excel workbooks to identify its use cases for current and proposed information requirements, and the removal of some items for which the AER no longer has a use.

The Preliminary Draft AIO does, however, include a number of proposed items that we consider the AER has no need to collect, or that require amendment to meet the need identified by the AER. In other instances, it is unclear to us how the information collected in the AIO will assist the AER to perform its regulatory functions with respect to TNSPs.

(a) Safety Incidents

The Network Metrics Workbook includes new data requirements for safety incidents. At the Service Performance and Other Information workshops AER staff:

- suggested the intent was to leverage maintenance expenditure and asset age data to develop a lead indicator to accompany safety incident data, which is inherently a lagged indicator, to provide more informative data; and
- referred to the AER's discussion of network safety reporting in its 2021 Electricity Network Performance Report (ENPR).

In the ENPRs for 2021 and 2022 the AER stated:

- it needed to be satisfied that its operating and capital expenditure decisions reasonably reflect the criteria to allow network businesses to maintain the safety of their networks;
- elements of network safety included safety of members of the public, safety of persons working on the network, protection of network and third-party property, and safety risk that arises from loss of network supply;
- safety incidents may be related to risks outside network businesses' control or to characteristics of their operating environments;
- available information on network safety did not allow for comparative analysis;
- it needed to avoid duplication of jurisdictional reporting requirements, and may develop its own dataset in the future; and
- additional work was required for the AER to understand how and why different safety activities, outcomes and trends compared across networks, jurisdictions and time.¹

Significant work is required before any information requirements can be established for network safety. Firstly, the references to safety in the NEO relate to the 'supply of electricity' and the 'national electricity system'.² The Australian Energy Market Commission (AEMC) has previously suggested this refers to the maintenance of a safe energy system for consumers

¹ AER, *Electricity Network Performance Report 2021*, September 2021, pp. 76–82; AER, *Electricity Network Performance Report 2022*, July 2022, pp. 2, 64–69.

² *National Electricity (Queensland) Law*, sections 7(a) and (b).

and, for transmission and distribution, to generation and other facilities connected to them being safe from damage.³ We take a proactive approach to raise awareness of safety issues and to manage safety risks for our employees, contractors and the community. However, some notifiable safety incidents that occur on our network, such as fires that cause flashover events, are outside our control. Equally, other incidents that are not required to be notified do lead to expenditure on our part to manage safety risks. In this context, any conclusions that the AER draws from analysis of safety incident data are likely to be unreliable.

Secondly, the AER's proposed approach extends to workplace health and safety outcomes for our business in the work we undertake on the network. This is outside the AER remit in a similar way to, for instance, monitoring our environmental performance on the basis that we incur expenditure to maintain compliance with environmental laws.

Thirdly, the operating and capital expenditure objectives for the economic regulation of networks in the National Electricity Rules (Rules) include maintaining the safety of distribution/transmission systems (as appropriate).⁴ However, the AER has not explained exactly how it might apply safety incident data to its operating and capital expenditure decisions, nor given stakeholders an opportunity to provide input on a suggested approach that aligns with the expenditure objectives and reflects the AER's appetite or tolerance of networks' safety risk.

Fourthly, the AER's suggested definitions for *major safety incidents* and *safety incidents (excluding major safety incidents)* differ significantly from the definitions of a *serious electrical incident*, *dangerous electrical event*, *serious illness or injury*, and *dangerous incident* that apply to NSPs in Queensland.⁵ We note that the AER proposes to allow TNSPs to use alternative definitions that align with jurisdictional reporting obligations. While it would reduce our reporting burden if we applied existing definitions, this would obviously mean that our data would not be comparable to that of other TNSPs. Use of established definitions would also mean a duplication of reporting to the AER and Queensland's jurisdictional regulator, which the AER has stated it wishes to avoid.

The proposed safety data requirements should be removed from the AIO.

(b) Revenue and Pricing

Substantial changes are required to the collection of revenue and pricing information in the Revenue and Financial Statements Workbook. At a broad level, greater clarity is necessary on what the AER seeks to achieve from collection of the information set out in the various tables of the workbook. Examples of issues we have identified with the proposed information requirements are outlined below. We would welcome further engagement with the AER to redesign revenue and pricing information for the Draft Decision.

(i) Prescribed Revenue Information

We recommend the AER replace the Revenue by Chargeable Quantity table from the Prescribed Transmission Services worksheet and the Revenue Earned table from the Other Financial Information worksheet with a more complete presentation of TNSP prescribed revenues that is consistent with current Rules requirements and terminology. We suggest the following line items be included in the replacement table:

- Prescribed Exit Service Revenue

³ AEMC, *Applying the Energy Market Objectives*, July 2019, p. 7.

⁴ National Electricity Rules, clauses 6.5.6(a)(4), 6.5.7(a)(4), 6A.6.6(a)(4) and 6A.6.7(a)(4).

⁵ *Electrical Safety Act 2002* (Qld), sections 11 and 12; *Work Health and Safety Act 2011* (Qld), sections 36 and 37.

- Prescribed Entry Service Revenue
- Prescribed Common Transmission Services Revenue
- Locational Transmission Use of System (TUoS) Services Revenue
- Modified Load Export Charge Net Revenue
- Non-Locational TUoS Services Revenue
- System Strength Transmission Services Revenue
- Inter-regional Settlements Residue/Auction Proceeds Revenue
- Intra-regional Settlements Residue Revenue.

The above categories align closely with that required for revenue reconciliation that would allow the AER to track collection of the Maximum Allowed Revenue (MAR) over time.

We do not consider the AER has established a clear use case for the more detailed breakdowns, such as by fixed and variable charges or energy versus demand-based charges, currently included in the Revenue by Chargeable Quantity table. We therefore suggest this more detailed information be removed from the AIO.

The AER has also incorrectly linked the Revenue Earned and Revenue from Prescribed Services (Annual Service Revenue Requirement (ASRR)) tables from the Other Financial Information worksheet. The latter table applies transmission pricing requirements from the Rules that include forecast and estimated inputs, which may differ from actual revenue received for a range of factors.

(ii) Prescribed Pricing Information

We recommend the AER implement a higher-level breakdown in the Revenue from Prescribed Services (Annual Service Revenue Requirement (ASRR)) tables from the Other Financial Information worksheet. We recommend the table include the following line items:

- Prescribed Exit Services
- Prescribed Entry Service
- Prescribed Common Transmission Services
- Locational TUoS Services
- Non-locational TUoS Services.

In addition, we recommend the following memorandum items be reported:

- Forecast Inter-Regional Settlements Residues or Proceeds from Auctions
- Forecast Intra-Regional Settlements Residues.

We consider this targeted presentation will be more helpful for revenue reconciliation and provide relevant information to customers about potential sources of variability in transmission pricing inputs. The current more detailed table includes incorrect or missing attributions between the revenue components. For example:

- system strength transmission services is not a separate item under the ASRR and should appear as part of an adjustment to prescribed common transmission services revenue;⁶ and
- the locational TUoS services sub-heading is missing compensating adjustments of the opposite sign to those that relate to adjustments for negative locational TUoS and the application of clauses 6A.23.4(c) and (d) under the non-locational TUoS services sub-heading.

⁶ See AEMC, *National Electricity Amendment (Efficient Management of System Strength on the Power System) Rule 2021 No. 11*, schedule 6.

The higher-level disaggregation also avoids the need to confidentialise several table inputs, which would be required if a TNSP reduces the amount it collects from prescribed common transmission services and/or non-locational TUoS services revenue from the application of prudent discounts.

(c) Regulatory Investment Test and Contingent Project Expenditure

For projects where the TNSP has completed a Regulatory Investment Test for Transmission (RIT-T), the AIO Instrument (section 4.12) requires TNSPs to provide details of the RIT-T process, and the Operating and Capital Expenditure Workbooks require expenditure data to be provided at an individual project level. The new requirements appear to be based on the current Distribution Annual Reporting RIN (section 10) and are included in the AIO for Distribution Network Service Providers (DNSPs). Similarly, the Operating and Capital Expenditure Workbooks for DNSPs and TNSPs require Contingent Project expenditure data to be provided at an individual project level.

In terms of a use case, the Explanatory Statement (p. 40) says only that these changes to information requirements have been made to allow the AER to track outcomes for RIT-T and Contingent Projects. We do not see a specific need for the AER to monitor expenditure for these projects on an annual basis to perform its regulatory functions. We recommend the AER remove these parts of the AIO.

To be clear, we also do not consider the AER's high-level reasons for issuing the AIO – to assist it to perform its obligations under the National Electricity Law (NEL) and the Rules⁷ – are sufficient to demonstrate use cases for specific information requirements, including for RIT-T and Contingent Projects

(d) Service Target Performance Incentive Scheme

In our Initial Submission we:

- supported the update to the consultation workbooks that allowed network businesses to report information based on the current version of the STPIS that applied to them;⁸ and
- recommended the AER confirm in the next stage of consultation that the data would only be sought through the annual STPIS reports lodged with the AER in February to remove the current duplication of requirements between the annual STPIS reports and the annual Economic Benchmarking RIN returns.

The Preliminary Decision replicates the consultation workbook for the STPIS in the Service Performance Workbook (05A). However, the AER has also created a second Service Performance Workbook (05B) to capture data that will not be collected from TNSPs when (subject to a Rule change) the Transmission Information Guideline 2015 (Information Guideline) is removed from the Rules. Workbook 05B is based on the Service Performance Templates at Appendix B of the Information Guideline and reflects a version of the STPIS which no longer applies to any TNSP. Importantly, Appendix B of the Information Guideline is not the actual reporting template used by TNSP and is only included in the Information Guideline as an illustrative example. The current process is for the AER to provide customised service performance reporting templates to TNSPs in December each year that reflect the version of the STPIS that applies to the TNSP at the time.⁹ The template is then

⁷ AER, *Preliminary Annual Order – Transmission Network Service Providers*, January 2023, sections 1.1 and 1.3.

⁸ AER, *Consultation Workbook – Transmission – Data Category 05 (Service Performance)*, March 2022.

⁹ AER, *Electricity Transmission Network Service Providers – Service Target Performance Incentive Scheme*, Final Decision, September 2015, p. 8.

due to the AER by 1 February of the following year. As Service Performance Workbook 05B is out of date, we recommend the AER remove it from the AIO.

(e) Energy Not Supplied

Consistent with our Initial Submission, we support the collection of Energy Not Supplied (ENS) data in the AIO rather than via a separate AER information request. Given this information is derived from data required for the STPIS, we suggest ENS be moved from the Operational Outputs Workbook to the (single) Service Performance Workbook.

(f) Treatment of Energy Storage Systems

Our Initial Submission noted that data currently collected in Economic Benchmarking RIN Table 3.4.1 on energy storage systems allows for differentiated treatment of pumped hydroelectric storage systems and other energy storage systems, such as batteries. We recommended the AER adopt an approach that allows for all energy storage systems to be treated in the same way. For instance, with reference to data on system losses, this would ensure energy losses in storage from pumped hydroelectric facilities and batteries are not ascribed to TNSPs.

At the TNSP Economic Benchmarking workshop AER staff said they would review current RIN requirements and work with TNSPs to address the treatment of energy storage systems. Further, in its Response to Issues Raised for the workshop, the AER indicated it would benefit from further discussions with TNSPs on the issue, and that energy used for pumping as a part of any storage solution is a part of the total energy delivered by the TNSP, and is also relevant to benchmarking.

We agree with the AER that the most logical place to capture this data is total Energy Transported and Pumping and Power Station Auxillaries. However, the definition of *energy delivered* in the Operational Outputs Workbook and Data Workbook Instructions does not read this way. We recommend expansion of the definition to include all energy storage or a new entry to specifically capture energy storage separate from Power Station Auxiliaries.

(g) Cost Pass Through

The AIO Instrument (section 4.14) requires TNSPs to describe the process they have in place to identify a negative change event for a negative cost pass through under clause 6A.7.3(f) of the Rules, and the materiality threshold applied to these events. We do not see how this is relevant to an annual information requirement, and the AER has provided neither a justification for its collection nor advice on how the information would be used. We recommend the AER remove the requirement to describe the process to identify a negative change event from the AIO.

(h) Vegetation Management

The proposed changes to data for vegetation management make it unclear as to what the AER seeks to measure for vegetation management. The Network Metrics Workbook defines *vegetation maintenance span* (VMS) as a span within the network that is subject to active vegetation management practices, and active management practices excludes inspection of VMSs.

The Operating Expenditure Workbook requires TNSPs to report on the following vegetation management expenditure categories:

- Tree trimming;
- Vegetation corridor clearance;

- Inspection;
- Audit;
- Contractor liaison; and
- Other.

Of these, only tree trimming and vegetation corridor clearance would be considered active vegetation management in terms of the definition of VMS. Of the remaining activities we consider that inspection is a key element of the efficient and prudent management of vegetation on and adjacent to transmission line easements. Further, we have recently incurred a material increase in vegetation inspection costs due to the use of vegetation satellite data capture.¹⁰ If inspection costs are not included we consider this would not give a true reflection of active vegetation management per span. We recommend the AER outline the performance measures it uses, and/or intends to use, for vegetation management.

Also, in our Initial Submission we recommended the AER explore opportunities to align its vegetation and maintenance categories with those adopted in the International Transmission Operations & Maintenance Study (ITOMS). We note the discussion of this issue at the TNSP Category Analysis workshop and acknowledge the potential for the AER to further consider this issue in the future.

(i) Asset Replacement Activities

The AER proposes to replace the Descriptor Metrics for Routine and Non-routine Maintenance data in Category Analysis RIN Table 2.8.1 with counts of assets inspected and maintained in the Asset Replacement Activities tables in the Operational Outputs Workbook. The AER's stated purpose for the change is that it does not use the data from Category Analysis RIN Table 2.8.1 but asset inspection and maintenance data, if classified at the asset group level, will inform performance reporting on network resilience.

We recommend the AER fully explain what it means by 'network resilience', and how it would apply reporting on network resilience. We also ask the AER to explain whether, and if so how, the separation of assets inspected *or* maintained in Category Analysis RIN Table 2.8.1, into assets inspected *and* assets maintained in the Asset Replacement Activities tables, will inform its performance reporting.

The asset groups and categories in the Asset Replacement Activities tables are based on Category Analysis RIN Table 2.2.1. Therefore the provision of asset replacement and asset failure data in the new tables will be straightforward. However, some of the maintenance asset categories for Category Analysis RIN Table 2.8.1 are different to Table 2.2.1, which means we would need to change our internal reporting to report assets maintained and inspected against the same categories in the new Asset Replacement Activities tables. Specifically:

- substation switchbays (including reactive plant) in Category Analysis RIN Table 2.8.1 is separated into substation switchbays and reactive plant in the Asset Replacement Activities tables; and
- SCADA, network control and protection systems are combined into one category in the Asset Replacement Activities tables, but are separate in Category Analysis RIN Table 2.8.1.

It is not clear whether the changes are simply the result of the AER's placement of asset counts in the Asset Replacement Activities tables based on Category Analysis RIN Table 2.2.1, or whether the AER intends to seek a (slightly) different disaggregation of assets

¹⁰ Powerlink, *Category Analysis Regulatory Information Notice, Basis of Preparation (Public)*, October 2022, p. 23.

maintained and inspected than in Table 2.8.1. We recommend the AER review this issue and propose any changes, if necessary, in the Draft Decision.

(j) Adjustments for Load Transfers in Maximum Demand Data

For maximum demand data at each connection point, TNSPs are currently required in Category Analysis RIN Table 5.4.1 to incorporate adjustments for load transfers (i.e. temporary switching to a directly connected main transformer or feeder when a fault occurs) into the calculation of raw adjusted maximum demand. In our Initial Submission we:

- explained it is difficult to construct estimates of load transfers on a consistent basis, as TNSPs have to infer these transfers from operations on third-party networks; and
- recommended this adjustment requirement be removed to improve the quality and consistency of the data series reported by networks.

The Operational Outputs Workbook includes the same information requirements as Category Analysis RIN Table 5.4.1, and the AER has indicated that it uses the data for performance reporting. We consider that the use case is insufficient to warrant continued collection of the data, and we recommend it be removed from the AIO.

(k) Power Factor Conversion

At the TNSP Economic Benchmarking workshop, in response to concerns raised by Powerlink and ElectraNet, AER staff committed to review the future use case for power factor conversion data in Economic Benchmarking RIN Table 3.4.3.3. Given the Network Metrics Workbook includes the data requirements as per the RIN, we request the AER explain its future use case for the data in the Draft Decision.

(l) Transformer Capacity Calculation Methodology

In our Initial Submission we acknowledged there are several ways to report transformer capacity under the AER's existing guidance for the Economic Benchmarking RIN, and recommended the AER clarify its preferred approach as part of the new information instrument. We consider this would improve the comparability of data between networks.

At the TNSP Economic Benchmarking workshop, AER staff indicated the AER would:

- create a preliminary methodology for transformer capacity, conductor capacity and cable capacity calculations; and
- then work with TNSPs to refine the methodology.

The AER also expressed support for an examination of the measurement of transformer capacity in its Electricity TNSPs Benchmarking Report 2022.¹¹ Neither the Network Metrics Workbook, AIO Instrument nor Data Workbook Instructions include a new methodology for transformer capacity. We recommend the AER progress this work, in consultation with TNSPs, ahead of the Draft Decision.

¹¹ AER, 2022 Annual Benchmarking Report – Electricity Transmission Network Service Providers, November 2022, p. 5.

2. Future Information Requirements

(a) Essential System Services and System Level Minimum Demand

In our Initial Submission we said that:

- the provision of system strength and other essential system services (ESS) is becoming a key feature of the services provided by TNSPs now and into the future. We recommended augmentation and replacement projects be captured as separate categories in the Capital Expenditure Workbook; and
- minimum demand at a system level should be collected as part of the information requirements. Decreases in minimum demand have implications for how TNSPs can operate their networks and may mean updated standards and/or new system services are required to maintain the security and reliability of the power system. Regular reporting of this information would assist longer-term planning and improve stakeholder awareness of the different challenges businesses face in operating their networks.

These issues were discussed at the TNSP Category Analysis workshop, where it was agreed that TNSPs would take the lead to develop these information requirements in the coming years. We are also open to responding to potential future AER information requests to facilitate the development of future information requirements in these areas. We intend to work constructively with the AER on the scope, design and timeframes for any such requests.

(b) Asset Augmentation

The Capital Expenditure Workbook requires augmentation expenditure for lines only, and capital expenditure by project (network and non-network) has been removed on the basis that it is no longer required by the AER. While we welcome the removal of capital expenditure by project, we recommend the AER advise whether there is a need for data on capital expenditure for batteries and synchronous condensers, particularly in the context of its economic benchmarking development program.

3. Other Information Requirements

We continue to support the minimisation of non-data reporting included in the annual information requirements, and welcome the AER's planned removal of the obligation to provide network maps, descriptions of corporate structure and internal policy documents.

The AIO Instrument (section 4.2) requires TNSPs to:

- list and describe all internal plans, policies, procedures and strategies (document(s)) that are used to conduct day-to-day operations and that are relied on to respond to the AIO;
- record the version number and/or date from which the document has applied and, if the document has previously been provided to the AER, the date on which it was provided to the AER; and
- identify any internal documents that have changed during the 12-month reporting period, and describe the reason for the change and the impact of the change on the information reported.

The AER has not identified the origin of these obligations, but they appear to reflect:

- Accounting Principles and Policies requirements in the Information Guideline (section 2.2); and

- the Plans, Policies, Procedures and Strategies section of our Reset RIN for the 2023–27 regulatory period.

In the context of Regulatory Financial Statements or a TNSP Revenue Proposal, a list of documents relied on may assist the AER to understand and analyse information. However, in the RIN/AIO framework, the Basis of Preparation informs the AER, stakeholders and consumers of the sources and methods used to compile data. We recommend the AER remove the Policies and Procedures section from the AIO Instrument.

4. Transmission Information Guideline

We support the AER’s intention to consult with stakeholders on a proposal to remove the preparation and publication of the Information Guideline from clause 6A.17.2 of the Rules.

5. Confidentiality

The AIO Instrument (section 2.3) requires TNSPs to provide confidential and publishable versions of information as appropriate, and to highlight confidential information in workbooks using a methodology agreed by the AER. Given current RIN templates have functionality for information to be marked confidential and TNSPs provide confidential and public versions of RIN workbooks, we recommend the AER, in the Draft Decision, propose a methodology for TNSPs’ consideration.

6. Updating Information Requirements

We continue to support the AER’s proposal to schedule formal reviews of network information requirements every four years. This approach will strike an appropriate balance between the need to ensure information collected remains relevant and the potential costs associated with more frequent revisions of the information instrument.

7. Basis of Preparation

The Explanatory Statement (pp. 13–14) commented that many network businesses support the concept of a standardised Basis of Preparation, with the structure and form to be developed by the AER in conjunction with NSPs. Although the Explanatory Statement (p. 44) says that the Basis of Preparation template is in the form of an Excel table, the AIO Instrument (section 2.1.1(c)) states that information provided as a written response must be provided in Microsoft Word or PDF.

Our view is that Excel will limit our ability to:

- provide additional comments or clarifications, and references to other sources in footnotes;
- use track change functionality to efficiently monitor changes we make to our Basis of Preparation documents each year;
- include information in table form within the Basis of Preparation; and
- insert hyperlinks to published material on Powerlink’s or other websites.

TNSPs should be able to continue to provide Basis of Preparation documents in PDF format, which allows text to be presented in a fully searchable and readable form, and supports text selection and copy and paste functions. We could consider providing Word versions of our Basis of Preparation documents to the AER, likely on a confidential basis, to assist its internal analysis of methodologies.

8. Compliance

Powerlink is committed to complying with the AIO, just as it has met RIN and other information requirements in past years, and is aware of the options available to the AER to respond to non-compliance. We also note the reduced flexibility available to the AER to accommodate any TNSP-specific issues that may affect compliance with the AIO compared to RINs and information requests. As TNSPs transition to the AIO, we encourage the AER to take a pragmatic and proportionate response to maintain compliance with the terms of the AIO. We would also welcome the opportunity to provide feedback to the AER on any guidance materials related to the TNSP AIO before their publication.

ATTACHMENT B: SPECIFIC ISSUES AND DRAFTING SUGGESTIONS

As stated above, we acknowledge the significant work undertaken by the AER to review, consolidate and update information requirements in the AIO.

This attachment identifies specific issues with AIO documents and workbooks, and makes some drafting suggestions for the AER to consider for its Draft Decision.

(a) Preliminary AIO Instrument

- **Sections 1.1.2 and 1.3.1** – the purpose of the AIO is stated in both sections;
- **Sections 1.5.2 and 1.5.3** – both state that TNSPs are required to provide responses to the AIO to the AER in accordance with schedule 1;
- **Section 4.1.1** – this section repeats sections 1.6.1(b) to (d) and could be removed;
- **Section 4.16** – given the Economic Benchmarking RIN will be replaced, the AIO should outline the optional additional approach rather than refer to what will be an instrument no longer in force;
- **Sections 4.6.1 and 4.6.2** – the lists should re-start at (a); and
- **Appendix B** – the definition of *reporting period* incorrectly refers to section 1.4.3 of the AIO Instrument.

(b) Preliminary AIO Data Workbook Instructions

- **Section 2.1.5** – detail the instructions to report ENS rather than refer to Economic Benchmarking information requests;
- **Section 2.4.1** – to match the disaggregation requirements of the Asset Replacement Activities table in the Operational Outputs Workbook (Other Outputs worksheet), refer to asset replacements and failures, not asset replacement and maintenance;
- **Section 3.6.11** – definition of *tropical proportion* is different to the definition in the Network Metrics Workbook;
- **Section 7.1.6** – add “*model*” to “*post-tax revenue*”; and
- **Section 8.1.2** – specify the requirements for the benchmarking asset base values rather than refer to the Economic Benchmarking RIN Instructions and Definitions.

(c) Preliminary AIO Data Workbooks

Operational Outputs (02)

- **Definitions worksheet** – definition of *raw adjusted maximum demand* refers to DNSPs rather than TNSPs; and
- **Other Outputs worksheet** – move the Asset Replacements, Asset Failures, Assets Maintained and Assets Inspected headings for the Asset Replacement Activities table from row 4 to row 5. This will assist the use of the freeze panes function in Excel to navigate the (multiple) tables in the tab.

Network Metrics (03)

- **Capacity worksheet** – suggest Reporting Year be replaced with MVA for the Circuit Capacity and Transformer Capacities tables;
- **Capacity worksheet** – the Economic Benchmarking RIN reference for Transformer Capacities is Table 3.5.1, not 3.5.2; and
- **Age worksheet** – suggest the assurance standard (ASAE 3000) be added.

(d) References to non-regulated transmission services

- The terminology and definitions of non-regulated transmission services are inconsistent and unclear across the AIO Instrument, Data Workbook Instructions and Revenue and Financial Statements Workbook.
- References to non-regulated transmission services include *non-regulated transmission services*, *unclassified* or *unregulated service*, *unregulated activities* and *unregulated transmission services*.¹²
- Further, unregulated activities in the Revenue and Financial Statements Workbook is supposed to take its meaning from the AER's Transmission Ring-fencing Guideline (TRG) so as to achieve consistency with the TRG. However, the TRG applies the Rules terminology and definition for non-regulated transmission services¹³, and the purpose of consistency with the TRG is not explained by the AER.

(e) Definitions (generally)

Finally, in terms of the AIO documents, we encourage the AER to:

- consistently italicise defined terms across the AIO framework;
- remove italicisation from words (e.g. 'or', 'the', and 'and') that are not part of defined terms;
- organise definitions of terms in alphabetical order (by worksheet) in the Definitions worksheets of Data Workbooks;
- where a term is defined in the Rules, not restate and/or amend the Rules definition unless necessary to do so for the purpose of defining the term in the AIO; and
- as stated above, include all definitions in the AIO Instrument.

¹² We assume 'or' is inadvertently italicised in the reference to *unclassified* or *unregulated service* in section 1.3.2(c) of the Data Workbook Instructions.

¹³ AER, *Ring-fencing Guideline Electricity Transmission, Version 4*, March 2023, pp. 2–5.