

8/03/2019

Dr Kerry Schott AO  
Independent Chair  
Energy Security Board

Lodged via email: [info@esb.org.au](mailto:info@esb.org.au)

Dear Kerry

### **TransGrid response to the strategic energy plan draft metrics consultation**

TransGrid welcomes the opportunity to respond to the Energy Security Board's (ESB's) further consultation on draft metrics for its strategic energy plan.

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.

Australia is in the midst of an energy transition. This is primarily driven by changing community expectations and choices, advances in renewable energy technologies, retirement of existing generation, and the adjustments required in Australia's economy to meet our international climate change commitments.

We would like to reiterate our support for the development of a centralised process to review the performance of the National Electricity Market, to help identify where reform efforts may be most appropriate.

We appreciate the positive response of the ESB to stakeholder feedback in the first round of consultation. In particular, we acknowledge the efforts taken to address issues raised by TransGrid, including to clarify the intent and use of the metrics and to ensure that metrics are expressed in neutral language that does not unintentionally set policy direction.

We reiterate the importance of maintaining a broader contextual perspective when analysing the results from these metrics. For example, the metric tracking compliance with the generator 3 year notice of closure rule is intended to feed into an assessment of whether investors (network and generation) have sufficient information to make timely and appropriate investment decisions. An assessment of this issue however should also look at the extent to which other generator behaviour may affect the ability to make properly informed investment decisions. This could include mothballing or shifting to seasonal operation, which could occur even where the generator notice of closure rule is complied with.

We also suggest implementing arrangements for the regular review of these metrics. Over time reporting and data requirements across the industry will change, and therefore strategic issues will be expected to change and be reprioritised. Regular reviews of the appropriateness of metrics can help ensure that metrics remain relevant, fit for purpose and that reporting requirements are streamlined across the industry.

We appreciate the opportunity to comment on this consultation paper. If you would like to discuss this submission, please contact me on 02 9284 3715.

Yours faithfully

*Caroline Taylor*

Caroline Taylor  
**Head of Public Policy**