

28 August 2017

Mr. Peter Adams
General Manager—Wholesale Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001



Dear Mr Adams,

Minor amendments to the RIT-D and RIT-D application guidelines

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon disadvantaged and marginalised people. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC welcomes the opportunity to respond to the consultation draft amendments for the Regulatory Investment Test for Transmission (RIT-T) and Distribution (RIT-D) application guidelines.

PIAC engaged with the AEMC for the Replacement Expenditure Planning Arrangements rule change, and supports the draft amendments to the AER's application guidelines.

PIAC supports the explicit obligation in the Rules for a Transmission Network Service Provider (TNSP) to reapply the RIT-T if a material change has occurred, and for the TNSP to be allowed to apply to the AER for an exemption from this in limited cases. However, it is unclear to PIAC whether there is any recourse for stakeholders to challenge a TNSP's decision to not reapply the RIT-T, as may be appropriate when, for example, a stakeholder considers a material change has occurred which warrants reapplying the RIT-T but the TNSP has not done so.

PIAC considers that the ability to challenge the TNSP's decision is important, both in ensuring transparency and in making efficient investment decisions, and recommends that the AER make this ability explicit.

Continued engagement

PIAC would welcome the opportunity to meet with the AER and other stakeholders to discuss these issues in more depth.

Yours sincerely,

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