



1 March 2021

Mr Nino Ficca
Interim Chief Executive Officer
Australian Energy Market Operator
GPO Box 2008
MELBOURNE VIC 3001

ISP@aemo.com.au

Dear Mr Ficca

Consultation – 2022 ISP Methodology

Distribution network service providers (DNSPs), Energex Limited (Energex) and Ergon Energy Corporation Limited (Ergon Energy Network) welcome the opportunity to provide comment to the Australian Energy Market Operator (AEMO) in response to its *2022 ISP Methodology - Issues Paper* (Issues Paper).

Ergon Energy Network and Energex are members of Energy Networks Australia (ENA), the national industry association representing businesses operating Australia's electricity transmission and distribution, and gas distribution networks. The ENA has prepared a response to the Issues Paper, and we are supportive of the positions presented in their response.

Ergon Energy Network and Energex welcome the inclusion of DNSPs in the Integrated System Plan (ISP) discussion, and we are supportive of greater inclusion of distribution in long-term planning for the National Electricity Market, as distribution will be the key element in distributed energy resources (DER) growth that is forecast to make up a significant percentage of future energy supply. While supportive, Ergon Energy Network and Energex are concerned about onerous data requirements and disruption to normal planning processes and outputs. As such, we suggest further engagement and ongoing collaboration is required to understand where value can be gained by all parties.

In terms of centralised planning and network management, it remains our view that DNSPs are best placed to understand the capability and constraints of the distribution networks and therefore wish to ensure the ISP does not become overly complex in terms of distribution analysis.

We see the key enablers of increased DER penetration as network tariff reform, dynamic control and operating envelopes, and distributed batteries, rather than significant augmentation. This is all driven by wider market reform, and as such, Ergon Energy Network and Energex also seek to understand the extent to which this will form part of the 2022 ISP.

Should AEMO require additional information or wish to discuss any aspect of this submission, please contact me on 0467 782 350 or Laura Males on 0429 954 346.

Yours sincerely



Trudy Fraser
Manager Regulation

Telephone: 0467 782 350

Email: trudy.fraser@energyq.com.au