November 2024

Senate Select Committee on Energy planning and regulation in Australia

Questions on notice: Australian Energy Regulator

1. The different drivers of capex in distribution proposals

Hansard page: 34

Senator CANAVAN: You mentioned earlier that some of this wall of capex is due to solar and battery rollout and electrification. Some of them at least are the cause of government policy decisions to subsidise and support certain types of consumer goods and/or energy production systems. How much of this wall of capex is because of government policy decisions to provide incentives to certain types of things in the energy market?
Mrs Savage: I don't have the breakdown of that.
Senator CANAVAN: No-one is doing that work, it seems to me. It goes back to my conversation earlier. Some of the stuff you talk about is data centres and the growing demand. It is exogenous, if you like, to this house and building. Typically, good policymaking processes would seek to isolate, all other things being equal, the effect of a policy decision. So no-one is looking at what the policy costs are of an EV strategy or a solar strategy and the consequent impact on distribution grids?
Mrs Savage: Well, I'm not familiar with what everybody else is doing. I just know what we're doing. From our perspective, something that is really challenging is distribution systems. If you are thinking about the upgrade of a feeder, transformer, circuit breaker or whatever it might be, how do you isolate how much of that is because of an EV, solar panel or data centre? Certainly there are a range of drivers for why we're seeing the need to invest in these networks at this time. We have numbers on how much of it is augmentation capex and how much is replacement expenditure. I can give all of that to you.
Senator CANAVAN: Augmentation is the one that will be the relevant variable. As you say, there are lots of different drivers of that. But that is not dissimilar to almost any other policy decision. It's always difficult to isolate potential impacts of a policy decision.
Mrs Savage: Yes.
Senator CANAVAN: Normally we would try to do that in any kind of cost-benefit study or regulatory impact study. Again, it doesn't seem to be happening here in this space.
Mrs Savage: I think that's probably a question for the department.

Answer:

As part of five-yearly revenue determinations, the AER approves expenditure if Distribution Network Service Providers (DNSPs) demonstrate that the proposed expenditure provides customer benefits (which could be things like improved reliability, lower wholesale electricity costs, avoided network costs or emissions reductions). It is important that such investments are prudent and efficient so that they involve least cost for consumers.

There are a range of drivers that contribute to capex. We typically classify capex into replacement capex, augmentation capex, connections and non-network capex.

Government policies may result in networks proposing additional capex. These will impact different drivers of capex, depending on the issue. The exact amount that a specific policy contributes will vary based on the particular requirement, the existing capacity and capability of the the particular network, and its forecast outlook on overall network performance metrics such as safety and reliability.

Table 1 outlines the AER final determination decision capex for the NSW, Tasmania, Northern Territory and ACT distribution businesses approved in April 2024, including the breakdown of augementation and replacement capex. Of these totals, Consumer Energy Resources (CER) contributed between 1% to 3% of our final decision capex.

Other examples include policies on improved network resilience and cyber security. These may affect replacement capex and augmentation capex. Our April 2024 final determination decisions included between 3% to 11% of total capex for network resilience, cyber security and CER.

Table 1 AER 2024-29 Revenue determination capex decisions ($m, 2023-24)

Network business	Augmentation capex	Replacement capex	AER Final decision capex 2024-29
Ausgrid	$139.6	$1,389.70	$2,882.7
Endeavour	$412.6	$574.5	$1,850.9
Essential	$109.9	$972.8	$2,655.4
Evoenergy	$103.9	$94.4	$516.5
Power & Water Corporation	$33.0	$175.5	$537.8
TasNetworks, distribution	$49.5	$281.6	$729.1

2. Percentage of coal fired power stations exposed to export coal prices

Hansard page: 34-35

Senator CANAVAN: I will come to that. I will pause there before I come to that. I have limited time. What percentage of coal used in Australia's coal-fired power stations is exposed to the export price?
Mrs Savage: It depends in Queensland and New South Wales because you're looking at different power stations.
Senator CANAVAN: You raised the point before that you felt that a material issue was the export coal price. How much of our coal used in electricity power stations is exposed to that price?
Mrs Savage: What is more relevant is how much is at the margin. Look at, for example, Gladstone or Eraring. Those two power stations buy coal that is also used for export. Power stations bid at the margin. We have a margin electricity price, so it is set based at the margin.
Senator CANAVAN: I understand. How much is the margin? What is the percentage?
Mrs Savage: Well, it doesn't matter how much the percentage is at the margin if the margin—
Senator CANAVAN: Well, how many times? Could you calculate what percentage of the time that the marginal cost is set, because I know you do calculate that?
Mrs Savage: I can tell you what time. Give me a moment to open this so I can answer your question. For the last quarter, black and brown coal will have set the price in the marginal generator in the market almost 50 per cent of the time.
Senator CANAVAN: How much of that 50 per cent is exposed to that export market price?
Mrs Savage: I would need to go through and look at the individual client.

Answer:

Most black coal generators are likely to be exposed to the internationally traded price of coal to varying degrees. Some rely on supplies from mines that trade directly into global markets, others rely on those mines for spot cargoes when necessary and all standard coal pricing is set with reference to international indices.

This means that there is a clear relationship between international coal prices and wholesale electricity prices.

By way of example, black coal generators set the wholesale price of electricity 51% of the time in NSW and 55% of the time in QLD in Q1 2024. Black coal generators that the AER considers are likely to be more exposed to the international price of coal set the wholesale price of electricity 58% of the time that coal was setting price in NSW and 54% of the time in QLD in Q1 2024.

3. Independent report into the quality of consultation

Hansard page: 36-37

Senator CANAVAN: Is that sun tax approved by the Australian Energy Regulator? Was that something you had to sign off on?
Mrs Savage: The export charge? I'm not aware of it being called a sun tax. But that export charge—
……..
Senator CANAVAN: Who oversaw that this consultation was ridgy-didge?
Mrs Savage: Do you mean the original consultation or the—
Senator CANAVAN: No. You are saying that consumers love this and they want to support it. I find that hard to believe. You are saying that the energy companies did that. You also said that consumers love this. Who actually assessed that was a real consultation?
Mrs Savage: We had two waves. We did it. Our staff were present for it. We also had a consumer challenge panel, which also witnessed all of it and provided—
Senator CANAVAN: Maybe on notice you could take me through the details of that. I can hear David saying some things. If I called a town hall and asked people whether they think it is a good idea to be charged 1.2 cents per kilowatt hour for your exports of solar, I doubt it would get much support. I find that really hard to believe. I'm not saying it's not a good idea. I'm really cynical that consumers somehow think this is a great idea.
Mrs Savage: There are more consumers than just solar consumers. When you look at the consultation that was done, in fairness, there is an independent report into the quality of our consultation, which we're happy to make available.
Senator CANAVAN: Yes. Please provide it on notice.

Answer:

In July 2020, three customer advocacy organisations and one distributor (St Vincent de Paul Society Victoria, Total Environment Centre, Australian Council of Social Services and SA Power Networks), proposed changes to the National Electricity Rules (NER) to integrate CER into the electricity grid in a way that benefits all electricity users. They submitted a rule change request to the AEMC.

From 2020, extensive consultation was undertaken by AEMC on the rule change proposal. The final *Access, pricing and incentive arrangements for distributed energy resources* rule change determination aimed to allow DNSPs to adapt two-way energy flows. Enabling two-way pricing was one aspect of broader reforms in the determination to allow as many consumers as possible to connect their renewable technology to the grid and to protect those who cannot, or choose not to, invest in it from higher network costs. It also helps the grid operate securely.

As a transitional customer protection, the Rule change allowed a basic export level be included with any export tariff introduced for the next two regulatory periods. A Basic Export Level is a level of free export capacity available before export charges take effect. The rule change also required the AER to consult on and publish Export Tariff Guidelines.

There were several rounds of consultation on two-way pricing, that ultimately led to its introduction in NSW, where consumer and stakeholder views are considered and assessed at each stage, including through:

- The AER's consultation in developing Export Tariff Guidelines.

- The NSW distributors' consultation in proposing two-way pricing as part of their 2024−29 revenue proposals.
- The AER's consultation in approving two-way pricing as part of its decision-making on the NSW distributors' 2024−29 revenue proposals.

As part of the NSW distributors' reset consultations, the following independing reports were commissioned:

- An independent report by Ausgrid's Reset Customer Panel on its regulatory proposal, including its findings on Ausgrid's engagement on two-way pricing (pages 61-62).
- An independent assessment of Endeavour Energy's customer engagement by Clare Petre Consulting (Attachment 5-17).
- A report by SEC Newgate, commissioned by Endeavour Energy, on Endeavour Energy's engagement with its Customer Panel (89 customers over 5 months), including its engagement on two-way pricing (Attachment 5.09).
- An independent consumer report of Essential Energy's customer engagement by Comacon (Attachment 4-15).

The Consumer Challenge Panel (CCP), which was established to assist the AER in making better regulatory determinations by providing input on issues of importance to consumers, also provided several reports to these processes as well. This included to:

- The AER's Export Tariff Guidelines consultation paper, and
- The AER's draft decisions on the regulatory proposals for Ausgrid, Endeavour Energy, and Essential Energy.

4. Understanding the identified need of VNI west

Hansard page: 40 – 41

Mrs Savage: Transgrid did a RIT-T for the system in Broken Hill. The preferred option was a non-network solution. It's compressed air storage, from memory. There are examples of it. Probably you are less likely to see the non-network solutions get up in very big infrastructure projects.
CHAIR: That's interesting of itself when you look at a project such as VNI West. As I put to AEMO earlier, large-scale transmission interconnectors—let's call them that rather than just transmission to differentiate—in Australia or particularly in the NEM don't have much, if any, economic benefit going forward. Interconnectors are meant to either temporarily spread supply or load geographically where there are massive differences in solar or wind resources from one to the other. There is a third one that escapes me right now, but I will come back to it. The economic benefit for large-scale transmission or interconnectors is pretty tenuous, particularly given the huge amount of cost plus the cost to the environment, social licence, communities and all the other things. The economic justification for a project such as VNI West was that it would stop Victoria having to build pumped hydro somewhere because it could import energy from batteries in New South Wales.
Mrs Savage: And Snowy Hydro, yes.
CHAIR: That makes absolutely zero sense. There is no argument that Victoria could just as easily build batteries and have its own energy supply from those as opposed to having to import it from New South Wales.
Mrs Savage: My understanding was—Steph might want to add to it—was that it was less about storage from batteries and more about storage from the Snowy 2.0 project.
Ms Jolly: Yes.
CHAIR: I would be interested to hear more on that, on notice, if you care to.

Answer:

The identified need for the VNI West project has remained the same since it was first set out in the 2020 Integrated System Plan (ISP) through to the most recent ISP in 2024:

> *VNI West will increase transfer capacity between New South Wales and Victoria to realise net market benefits by:*
>
> - *efficiently maintaining supply reliability in Victoria following the closure of further coal-fired generation and the decline in aging generator reliability – including mitigation of the risk of existing plant closing earlier than expected,*
> - *facilitating efficient development and dispatch of generation in areas with high quality renewable resources in Victoria and southern New South Wales through improved network capacity and access to demand centres, and*
> - *enabling more efficient sharing of resources between NEM regions.*

The economic basis for VNI West is that it provides market benefits to those who produce, consume and transport electricity in the National Electricity Market that outweigh the costs of the project, and that it is on the optimal development path identified in the ISP

In the 2020 ISP (Appendix 3 page 74), AEMO identified the main drivers of the benefits of VNI West as increased connection to renewable energy zones in Victoria and New South Wales (NSW), increased resilience in Victoria due to interconnection, and increased capability to export variable renewable electricity to NSW. The 2022 ISP (page 74) and 2024 ISP (Appendix 6 page 56) highlighted that by increasing the access to Snowy 2.0 and other supply from the north, additional firming capacity may be avoided. Further it enables greater export of surplus Victorian energy once offshore wind is developed to scale.

Transgrid's RIT-T Project Assessment Conclusions Report (PACR) identified that the preferred option to meet the identified need is option 5A which involves constructing a 500kV

double-circuit overhead transmission line between Victoria and NSW, connecting the Western Renewables Link (at Bulgana, Victoria) with Project EnergyConnect (at Dinawan, NSW) via a new Kerang substation (Victoria).

In section 6.1 of the VNI West PACR Volume 1, Transgrid reported that avoided or deferred generation and storage costs were estimated to be the primary source of benefits for VNI West. Some investment that had been needed in Victoria is no longer required (with VNI West), and other, more efficient investment in solar and storage is located in New South Wales and shared with Victoria when needed, noting that Victoria also has greater access to Snowy 2.0's deep storage.

5. Assessment on material change of circumstances for Humelink

Hansard page: 41

CHAIR: The AEMC put through a rule in October 2022 about a material change in network infrastructure project costs. That rule itself says that a proponent of projects with an estimated cost greater than $100 million is to develop reopening triggers. So the proponent themselves develops their own reopening triggers?
Mrs Savage: I might get Steph to respond to this. That rule wasn't in place when we did the HumeLink letter. That's why we wrote to them in the first place. We were trying to strengthen the arm a bit on that question. I think that rule change did recognise that there was probably insufficient guidance on what a project proponent's view meant. We have given further guidance on that in our guideline, haven't we?
Ms Jolly: Yes, we have. It's really about being transparent about what those reopening triggers are so that all stakeholders have the opportunity to understand them, to comment on them and to, I guess, keep track of how the project is progressing relative to them. That is done upfront throughout the project rather than in a conversation at the end about what makes something material or otherwise.
CHAIR: Given such a huge increase in project costs, are you able to provide the committee with whatever assessment you did that said this was still a project that economically made sense to go forward?
Mrs Savage: I think it is published. We can provide that.
CHAIR: That would be great.

Answer:

On 19 January 2024 we formally requested that Transgrid provide additional information in relation to its HumeLink Stage 2 Contingent Project Application, including updated NPV options analysis, to inform our consideration of Transgrid's material change of circumstances assessment. Transgrid published the updated analysis on its website on 29 February 2024.

Our assessment of this forms part of the CPA determination on Humelink. Section 5.1.1 provides the assessment.

As part of our assessment we comissioned independent modelling of the market benefits, which we published alongside our decision.

6. Market costs and benefits in the ISP

Hansard page: 42-43

CHAIR: I will come to those ones. Certainly for energy consumers, output from generation is dealt with through the market. We all accept that a market is a fair and economic way to deal with things. Storage has benefits in and of itself in spreading the amount of electricity available across time. It also potentially has the benefit of displacing baseload coal. Transmission has a cost to it. It is going on the back of every one of our energy bills. Explain to me how in an economic sense displacing generation and storage is a smart economic move.
Mrs Savage: Another thing to think about is the context. We're going into a period of low growth. We have obviously been through a period of low production. Following privatisation in the early 1990s, as you would well remember, we had a large overhang of—
CHAIR: Not the early 1990s, I don't.
Mrs Savage: In the late 1990s. There was a large overhang of generation. Think about the way a RIT-T is done. You may have lots of generation, for example, in New South Wales and less generation in Victoria. You want to think about the most economically efficient way of delivering energy for those consumers. If there's excess supply in one region and insufficient supply in the other, rather than building more capacity in the other region and just having even more capacity, a transmission interconnector is a way in which it would potentially increase economic value. That's that class of benefits. You are asking me to describe how and why it exists. That is how it might exist. When a RIT-T is done, there is market modelling done with it. ACIL Allen or EY-ROAM—I don't want to plug them all—all have very profitable consulting houses that go out there and do the market modelling of these things. They test all of these scenarios. Is it cheaper in aggregate to build just more transmission or to build more generation at load centres? That is the test that is going on. It's not just an assumption that, 'Well, because there are no electrons that come from transmission, there's no value to it.' If you are more efficiently sharing resources, there is economic value coming from that. If you displace the need to invest in new capital expenditure in local areas but you can make more efficient use of what is already there, that is a benefit and that is why it is captured under the RIT-T.
CHAIR: I would be interested to see on notice the actual evidence of where there is such excess capacity in one region of the NEM versus another that is going to justify that. I admit that there was an historic reason for it.
Mrs Savage: For the purpose of being on notice, you would like us to unpack that 15.38 in generating storage capex savings?
CHAIR: Yes.
Mrs Savage: That might be better put to AEMO because there's their report.
CHAIR: I can do that, too. Perhaps it was looked at in the HumeLink application. My point is even further strengthened given that the ISP sets out very clearly how much more generation storage we're going to need. It is perfectly blunt on those points that it is an enormous amount we're going to need. Again, using another piece of infrastructure to replace that and counting the benefit of that is nonsensical. I want to hand over the call very soon. Perhaps you could take on notice also the market benefit of fuel cost savings. I assume that means that, as it displaces coal, those coal costs are saved. It is an enormous amount—$17 billion. We all know that those fuel costs are going to disappear over time anyway. I'm not sure how it's a long-term benefit, particularly not out to 2049-50. The last one is how actionable and future ISP costs are treated as a market benefit.
Ms Jolly: I think we can unpack that in our question on notice, Senator. I think the key thing is that it's relative to a base case in which that optimal development path doesn't occur. It's that counterfactual that these figures are compared to that is creating that.
CHAIR: I didn't get an opportunity to ask AEMO. I can't find their counterfactual model anywhere in the ISP. If it's in there, it's hidden in one of the workbooks.
Senator GROGAN: You can put that question on notice.

CHAIR: I did. Thank you, Deputy Chair. That's exactly what I was trying to do. You can take them on notice.
Mrs Savage: If you are okay, we'll answer them as they relate to our functions.
CHAIR: Of course.

Answer

6.a Classes of market benefits and fuel cost savings

The Australian Energy Market Operator (AEMO) is responsible for the development of the Integrated System Plan (ISP).

For the 2024 ISP, AEMO applied their 2023 ISP Methodology. Both the ISP and ISP Methodology are required to be developed in accordance with:

- the AER's Forecasting best practice guidelines
- the AER's Cost benefit analysis guidelines
- clause 5.22 of the NER.

The cost-benefit analysis is based on total system costs, and many of the market benefits are defined in terms of avoided costs when compared to the counterfactual development path. This comparison may reveal that a development path results in both positive and negative effects on the market. The calculation will therefore reflect a netting-off process, that accounts for the positive and negative effects of a development path in the market across all the relevant classes of market benefits. This process may result in a development path having a positive or negative total market benefit.

Clause 5.22.10(c)(1) of the NER outlines that AEMO must, in preparing an ISP, consider specified classes of market benefits that could be delivered by the development path. These same classes of market benefit are reflected in section 3.3.4 of the AER's Cost benefit analysis guidelines.

Under clause 5.22.10(c)(2) of the NER, AEMO must include a quantification of all classes of market benefits which are determined to be material to the optimal development path in AEMO's reasonable opinion.

One of these classes of market benefits is changes in costs for parties due to:

- differences in the timing of new plant;
- differences in capital costs; and
- differences in the operating and maintenance costs.

This benefit accrues when a network investment reduces or defers the need for new dispatchable generation and storage investment to meet energy demand.

One of these classes of market benefits also relates to changes in fuel consumption arising through different patterns of generation dispatch.

In the ISP, generation capacity outlook and dispatch are modelled for each development path, including the counterfactual development path. Each development path has a different resulting mix of generation technologies over time. Fuel cost savings can occur, for example, where a development path involves lower fuel cost generation displacing higher fuel cost

(frequently coal-fired) generation. While fuel costs are forecast to be lower overall in the future as fossil fuel plants exit the system, differences in the timing of entry/exit and differences in dispatch patterns can drive different fuel costs in many states of the world when compared to the counterfactual.

In relation to generation savings, the 2024 ISP identifies a $15.38b (NPV) generator and storage capex savings component of the weighted net market benefits delivered by the Optimal Development Path (Appendix 6, Figure 1, page 12).

In relation to fuel costs savings, the 2024 ISP identifies a $17.07b (NPV) fuel cost savings component of the weighted net market benefits delivered by the optimal development path (2024 ISP Appendix 6, Figure 1, page 12).

We understand the counterfactual development path is modelled in the ISP Model by using the appropriate inputs and assumptions from the inputs and assumptions workbook, and the detailed results are provided as supporting material to the ISP publication. These can be found on the AEMO website by following these links.

6b: How actionable and future ISP project costs are treated as a market benefit

In the ISP, costs are the present value of the estimated direct costs of building the ISP projects in a development path. Clause 5.22.10(d) of the NER outlines the classes of cost that AEMO must quantify in preparing the ISP.

Market benefits are the present value of the estimated market benefits from a comparison of the development path with the counterfactual development path. Clause 5.22.10(c)(1) of the NER outlines the classes of market benefits that could be delivered by the development path. The AER's Cost benefit analysis guideline (section 3.3.4) requires AEMO to exclude the classes of costs from the market benefits.

Actionable and future ISP project costs are not a market benefit, but are included in the estimation of total system costs for the purpose of calculating the net market benefit (i.e. benefits minus costs) of a candidate development path (2023 ISP Methodology, Figure 20, page 82). These costs are not present in the counterfactual development path.

7. Network visibility – availability of data to guide locations for community batteries, EV chargers and other consumer energy resources and Network visibility project roadmap

Hansard page: 43-44

Senator DAVID POCOCK: Thank you for your time this afternoon. I want to start with a few questions about the availability of data to guide the best locations for community batteries, EV chargers and other consumer energy resources. I understand UTS and Energy Networks Australia publish network opportunity maps. From what I can tell, the DNSPs have by far the best data, particularly below a zone substation level. Do you agree that it would be beneficial for consumers and community organisations to have access to this sort of data that the DNSPs would have?
Mrs Savage: I think you're right, firstly, that they do have better data than is generally available. We have been doing a project that has been looking at network visibility. I'm not sure who is best placed to speak to network visibility.
Mr Funston: Yes. We are in the midst of doing that project. Yes, you are right; it is the networks that would have the best data. I think the challenge with the networks is that the different networks are at different levels of maturity. In particular, where there are smart meters, they've obviously got much better visibility than those networks which don't, which is also why there's a rule change at the moment looking at smart meter rollouts.
…….
Senator DAVID POCOCK: Thank you. I want to be clear. You are undertaking this work, which sounds great and much needed. If you do find a way to standardise it and have useful data, will you be forcing DNSPs to release that? Will you be responsible for releasing data?
Mr Funston: We collect information at the moment through our regulatory information notices. We could look at how we might think about changing that in the future if there is an identified need for this data to be in the public domain, which I think there will be. So we can look at that going forward.
Mrs Savage: Would we collect it, though, at the level of detail that I think the senator is referring to?
Mr Funston: I think that is probably the challenge. Again, that comes back to the level of maturity in terms of where the networks are at. Those with smart meters, such as the Victorian networks, will have this data available. Other networks won't necessarily be the at the same level of maturity and be able to provide that data.
Senator DAVID POCOCK: Okay.
Mrs Savage: If you wouldn't mind, I wouldn't mind us having a chance to come back to you with a bit more information about the network visibility project and just what that road map looks like.

Answer:

In August 2021, the former Energy Security Board (ESB) released its Data Strategy Recommendations. The recommendations resulted in a range of reforms, including Network Visibility (for the market). The ESB worked in collaboration with the market bodies (AER, AEMC, and AEMO) to deliver the Data Strategy programme of work. In May 2023, the Energy Ministers agreed for the ESB to transition and become the EAP (Energy Advisory Panel) from 1st July 2023, with the AER now leading the Network Visibility Project.

The Network Visibility project seeks to optimise the benefits of CER (Consumer Energy Resources) and network assets for all customers by providing market and policy stakeholders with the critical information they need to make CER planning decisions and to manage network-related risks. The key outcome of the workstream is to develop a pathway that will deliver network visibility to the market, including: (a) definitions of the data that are needed and (b) appropriate arrangements for it to be delivered.

Implementation of the project

The AER has divided this project into three phases:

- Phase 1 sought to define the data sets concerning the performance of the low-voltage network and CER that is needed by market and policy stakeholders to make CER planning decisions and manage network-related risks, through examining the needs and use cases for this data and considering related challenges in accessing it.
- Phase 2 tested the challenges and value in delivering the data sets identified in Phase 1 through a range of real-world trials.
- Phase 3 will propose a pathway for ongoing delivery of priority data sets to the market, informed by the trials and considering varied opportunities and challenges for different networks.

For Phase 1, the AER published the ESB's "Benefits of increased visibility of networks" consultation paper on 7 July 2023. This included 11 questions related to data use cases and data sets. We received 14 submissions to the consultation paper, which are also published on our website.

Phase 2 of the project involved a trial to provide data to support the Victorian Neighbourhood Battery Initiative (NBI). The AER published its Phase 2 report on 11 October 2024. Neighbourhood batteries were selected for the trials as they are one of the more challenging forms of CER to install on distribution networks, as they both import and export energy and operate at low-voltage network locations. Victorian Distribution Network Service Providers (DNSPs) were also suitable participants for the data trials due to their access to data from their high degree of smart meter penetration. Our key findings included (amongst other things):

- Distribution feeder level data was not consistently available to NBI participants without the submission of a connection application. This limited the participants' ability to make low-cost assessments of suitable installation sites.
- NBI participants reported cost uncertainty for network connection and augmentation. Therefore, we should consider DNSPs should provide greater transparency about potential costs.
- A lack of up-to-date data increased the likelihood of unsuccessful connection applications. This was because annual data provided by DNSPs was sometimes out of date by the time NBI connections applications were submitted.

The AER is currently considering potential recommendations and actions under Phase 3 of the project, and expects to publish its Phase 3 report in the first quarter of 2025. The AER will consider the issues reported in Phase 2 when it makes its recommendations.

8. Energy Made Easy

Please note the AER was referred the following Question on Notice from the Department of Climate Change, Energy, the Environment and Water.

Senator DAVID POCOCK: How many hits have you had on this Energy Made Easy website?

Mr Duggan: I understand it is administered by the Australian Energy Regulator, so we will have to take that on notice and ask them how many hits they have had.

Answer:

The Energy Made Easy (EME) website is a free and independent comparison website for energy plans that is operated by the Australian Energy Regulator (AER).

In financial year 2023-24, the website has been accessed by 3.5 million Australians, with over 1.4 million plan searches completed.