

MCE

Ministerial Council on Energy

CHAIR

The Hon Martin Ferguson AM MP
Minister for Resources and Energy

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Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
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B11/2116

22 NOV 2011

Dear Mr Pierce 

Transmission Reliability Standards Review

As Chair of the Ministerial Council on Energy (MCE), I would like to thank the Australian Energy Market Commission (AEMC) for providing the Transmission Reliability Standards Review Final Report on 30 September 2008 and its Updated Final Report, released on 10 December 2010.

The MCE has considered the recommendations contained in the Updated Final Report, and the Final Report (where this formed the basis of the recommendations in the Updated Final Report), and has developed the attached response. This letter, together with the response will be released and be publicly available on the MCE website (www.mce.gov.au).

The MCE broadly accepts the recommendations as presented in the Updated Final Report. The MCE acknowledges that the intent of the AEMC Review is to establish a high-level framework, based on agreed principles, to which detail will be added in relation to a number of the recommendations in the course of the implementation advice phase.

The MCE recognises the size and complexity of the implementation advice phase and considers the next step is for the AEMC to provide detailed implementation and transitional advice and recommendations to the MCE on amendments which may be required to the National Electricity Rules, the National Electricity Law and other jurisdictional legislation and legal instruments to support the proposed framework. The MCE considers that the AEMC advice should also provide further clarification around specific details on the proposed design of the framework and its interaction with other aspects of the national transmission framework, such as the Regulatory Investment Test for Transmission.

Following consideration of the AEMC's detailed implementation and transitional advice, and undertaking a Regulation Impact Statement (RIS) if required, the MCE will task the appropriate national and jurisdictional bodies with progressing the required changes.

MCE Secretariat

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Should you have any further enquiries, please contact Ms Kristen Palmer, Manager,
MCE Secretariat, on (02) 6213 6107.

Yours sincerely



Martin Ferguson

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