

Mr Chris Pattas
General Manager, Networks
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

10 October 2016

Issues Paper – Draft Amendments to the Electricity Network Service Provider Registration Exemption Guideline

Dear Mr Pattas,

I am writing to you in relation to the Australian Energy Regulator's (AER) Issues Paper - Draft Amendments to the Electricity Network Service Provider Registration Exemption Guideline. The Australian Airports Association (AAA) welcomes the opportunity to provide input on this issue, as it has implication for many airports across the country.

By way of introduction, the AAA is the national industry voice for airports in Australia. The AAA represents the interests of more than 260 airports and aerodromes Australia wide – from local country community landing strips to major international gateway airports. The AAA's members include Adelaide, Brisbane, Cairns, Canberra, Darwin, Gold Coast, Hobart, Perth, Melbourne and Sydney Airports. There are a further 130 corporate members representing aviation stakeholders and organisations that provide goods and services to the airport sector. The AAA facilitates co-operation among all member airports and their many and varied partners in Australian aviation, whilst contributing to an air transport system that is safe, secure, environmentally responsible and efficient for the benefit of all Australians and visitors.

As you would be aware, for many airports across the country the operation of an embedded electricity network is a necessary requirement for operating the business and is not undertaken with a view to aggregating customers for profit. It is also true that a number of instances the airport operator itself is supplied its electricity through the embedded network, which distinguishes airports from conventional embedded networks.

The primary objective of airports across the country is to facilitate safe and efficient air transportation, with the supply of electricity being one of several ancillary services that assist in achieving this objective. For any airport operator, the cost and complexity of formal registration with the AER as a network service provider and maintaining that authorisation is disproportionate to the scale of an airport's business and network.

Unlike more conventional embedded network supply arrangements, given the nature of airport businesses and the importance of continuity of supply, many airports offers additional benefits and services to customers such as back up generation, the ability to island the embedded network from external network interruptions, an embedded network generation supply mix (including renewables) and airport services support including for utilities. The obligations contained in the draft Network Exemption Guideline, including for the appointment or registration of an embedded network manager and the general requirement for embedded network owners to absorb network charges would place a disproportionate financial and administrative burden on airports across the country.

In addition to this correspondence, you will have received a detailed submission from the Brisbane Airport Corporation (BAC) that outlines a number of specific issues that need to be addressed in the draft Guideline. The AAA has canvassed the BAC response with our other major airport members and we believe that it provides an accurate representation of the general views held by major airports across the country.

The AAA formally endorses and supports the content of the BAC submission to the AER on the Draft Amendments to the Electricity Network Service Provider Registration Exemption Guideline, and we recommend that the BAC proposals be given due consideration and acted on accordingly.

If you have any questions or wish to discuss this matter further, I can be contacted via Simon Bourke (AAA Policy Manager) on 02 6230 1110 or sbourke@airports.asn.au.

Yours sincerely,

A handwritten signature in black ink that reads "Caroline Wilkie". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Caroline Wilkie
Chief Executive Officer