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20 October 2021

Mr Sebastian Roberts  
General Manager, Expenditure  
Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2601

Via email: [REDACTED]

Dear Mr Roberts

### **Update to the Framework and Approach paper for the 2024-29 regulatory period**

Essential Energy's current regulatory period ends on 30 June 2024. Preparation has commenced for the next Regulatory Proposal due to be submitted to the Australian Energy Regulator (AER) in January 2023. Clause 6.8.1(c)(1) of the National Electricity Rules (NER) requires Essential Energy to request the AER to make any amendments or replace the Framework and Approach paper (F&A) in advance of the upcoming Proposal.

There have been several regulatory developments since the AER prepared the current F&A in July 2017. Essential Energy considers that it is timely to review this paper to include relevant updated documents and other applicable changes that affect distribution network service providers. Of paramount importance though, before any finalisation of position, is the opportunity to collaborate with our customers to ensure that the F&A is reflective of their views. The information below therefore reflects Essential Energy's preliminary view of some elements that should be addressed in the updated F&A - and are noted for the purposes of triggering a F&A review.

**Incentive Schemes – Adding the new Customer Service Incentive Scheme (CSIS), as part of the Service Target Performance Incentive Scheme (STPIS).** The CSIS allows for a more bespoke reflection of customer service, as valued by our customers.

**Classification of Services – Joint engagement with other distributors on the 2024-29 Proposals, and customers, has begun.** There are a number of emerging services (Stand Alone Power Systems, export services, leasing battery capacity, and smart public lighting) that need to be addressed in the F&A document. Further clarifications are suggested for inspections and vegetation work on Private Assets. Essential Energy is also undertaking a review of its Connection Policy – any changes from this will need to be incorporated in the Classification of Services document. In addition, there should be some references made to Electric Vehicle charging infrastructure.

Essential Energy looks forward to working collaboratively with our customers and the AER over the coming months to develop positions on any changes needed to the F&A. If you would like to discuss this further, please contact our Network Regulation Manager, Mary-Clare Crowley on [REDACTED] or [REDACTED]

Yours sincerely

[REDACTED]  
Chantelle Bramley  
**General Manager Strategy, Regulation and Corporate Affairs**