



Hon Lily D'Ambrosio MP

Minister for Energy, Environment and Climate Change
Minister for Solar Homes

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Ms Clare Savage
Chair
Australian Energy Regulator
Level 17, 2 Lonsdale Street
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Ref: MBR043337



Dear Ms Savage

REAFFIRMING COMMITMENT TO CHANGE THE TIMING OF VICTORIAN NETWORK PRICING

Thank you for meeting with me on 19 August 2020 to discuss the Australian Energy Regulator's (AER) need for timely parliamentary passage of the National Energy Legislation Amendment Bill. I understand that the AER ideally needs the Bill to be in effect by 30 September 2020 to ensure that pricing proposals for the six-month extension of the current regulatory period are in place.

As discussed at our meeting, I am pleased to reaffirm the Victorian Government's commitment to pass the Bill and change electricity and gas network regulatory periods from a calendar to financial year basis. While we will use best endeavours to pass the Bill by 30 September 2020, the coronavirus (COVID-19) pandemic has simultaneously reduced the number of scheduled parliamentary sitting days while requiring emergency legislation to be prioritised.

Accordingly, I ask the AER to please demonstrate as much flexibility as possible over the coming weeks, in case we are unable to secure passage of the legislation by 30 September 2020. The Bill once enacted will mitigate risks to the AER by validating its actions with respect to facilitating the change in network timing. The Bill will also enable Orders in Council to be made that will allow the AER to make adjustments to its decisions that are necessary or incidental to making the change, including by applying the 2018 Rate of Return Instrument to the six-month extension period.

I understand that Department of Environment, Land, Water and Planning (DELWP) staff are working closely with your colleagues to draft the necessary Orders in Council and have these in place as soon as the legislation comes into effect.

Thank you again for your proactive engagement on this reform. If you have any queries or wish to discuss these matters further, please contact Sarah Sheppard, A/Executive Director Energy Sector Reform at DELWP, on [REDACTED] or at [REDACTED].

Yours sincerely



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