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2 December 2011

Blair Burkitt
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Dear Mr Burkitt

Transitional feed-in tariff scheme

The Victorian Parliament recently passed legislation to introduce a transitional feed-in tariff (**TFIT**) scheme, which included an amendment to the National Electricity (Victoria) Act 2005 (**NEVA**). Specifically, the amendment inserted a new section 16AB after section 16A to the NEVA:

***16AB** Modification of National Electricity Rules for the purpose of transitional feed-in tariff scheme

Despite section 6, the National Electricity Rules have the force of law in Victoria as if after rule 6.18.7A (e)(1)(iv) of the Rules there were inserted—

"(v) Electricity Industry Amendment (Transitional Feed-in Tariff Scheme) Act 2011 (Vic);".'

Section 6.18.7A (d)(1) of the National Electricity Rules (**NER**) states that a scheme is a jurisdictional scheme if the scheme is specified in s6.18.7A (e)(1). A jurisdictional scheme becomes an approved jurisdictional scheme where the AER:

- (a) has made a decision under s6.12.1(20);
- (b) has made a determination under s6.6.1A(e); or
- (c) is taken to have made a determination under s6.6.1A(f) of the NER.

In accordance with s6.6.1.A (a) and s6.12.1.(20) of the NER, Jemena Electricity Networks (**JEN**) requests the Australian Energy Regulator (**AER**) to determine how JEN is to report to the AER on its recovery of the jurisdictional scheme amounts. To assist the AER's decision making process, JEN submits the following information in accordance with s6.6.1A (b) of the NER:

(1) the name of the relevant jurisdictional scheme;

The relevant jurisdictional scheme is the transitional feed-in tariff scheme as outlined in the Victorian Electricity Industry Amendment (Transitional Feed-in Tariff Scheme) Act 2011.

(2) the date of the event referred to in subparagraph (a)(1) or (2);

The relevant jurisdictional scheme obtained royal assent on 22 November 2011, which was published in the Victorian Government Gazette No. S378.

(3) details of how the Distribution Network Service Provider proposes to:

(i) estimate the jurisdictional scheme amounts for the relevant jurisdictional scheme for the purposes of clause 6.18.7A(b);

JEN has built up considerable experience with the Premium Feed-in Tariff (PFIT) scheme regarding the collection of information about the take up rates and quantity forecast. Based on this experience, and the probable decrease in the take up rates due to the lower incentive tariff rates of the TFIT scheme, JEN can accurately forecast the amount of rebates to be recouped from its wider customer base.

(ii) carry out any adjustments to jurisdictional scheme amounts for the relevant jurisdictional scheme for the purposes of clause 6.18.7A(b); and

JEN proposes to carry out any adjustments for over and under recovery to the TFIT jurisdictional scheme amounts by complying with s6.18.7A(c) of the NER and Appendix F.3 of the "Victorian Electricity Distribution Network Service Providers, Distribution Determination 2011–2015, Final Decision", October 2010 (2011–2015 Distribution Determination).

(iii) report to the AER on the recovery process under clause 6.18.7A (a) to (c).

JEN proposes to report to the AER on an annual basis on the recovery process as outlined in Appendix F.3 of the 2011 – 2015 Distribution Determination. This information will be provided as part of JEN's annual pricing submission.

The TFIT recovery process will conform to the same requirements and rigour as applied to the PFIT jurisdictional scheme recovery process in that all data will be audited and be consistent with the regulatory accounts.

If you any questions or require additional information, please contact Nabil Chemali on (03) 8544 9856 or me on (03) 8544 9442.

Yours sincerely

Siva Moorthy
Manager Network Regulation