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Secretariat  
Energy Ministers Coordination  
GPO Box 2013  
Canberra ACT 2601

Locked Bag 14051  
Melbourne City Mail Centre  
Victoria 8001 Australia  
T: 1300 360 795  
[www.ausnetservices.com.au](http://www.ausnetservices.com.au)

by email: [demsaenwg@sa.gov.au](mailto:demsaenwg@sa.gov.au)

Dear Ministers

### **Stand-Alone Power Systems Legislative Amendments – Consultation on Revised Rules**

AusNet Services thanks the Energy Ministers for the opportunity to comment on the proposed revisions Stand-Alone Power Systems Priority 1 Rule Amendments.

This submission focuses on the proposed revisions to the definition of *distribution system*. This term is central to the national electricity framework for distribution systems, including the framework for Priority 1 stand-alone power systems (**SAPS**).

If the amendments proposed in the consultation materials are accepted, the definition of *distribution system* will read as follows:

Means:

- (a) a *distribution network*, together with the *connection assets* associated with the *distribution network*, which is *connected* to another *transmission or distribution system*; and
- (b) a *stand-alone distribution system* in a *regulated SAPS*.

*Connection assets* on their own, and *dedicated connection assets* in respect of which a *Primary Transmission Network Services Provider* is registered, do not constitute a *distribution system*.

AusNet Services' concern is with the proposal to substitute 'and' for 'or' at the end of paragraph (a).

Principles of statutory interpretation state that 'and' operates as a conjunctive. For the purposes of the National Electricity Rules, a *distribution system* will be one that meets the description in either paragraph (a) or (b), and would unlikely to ever be capable of satisfying both. Therefore, using 'and' risks creating confusion in the interpretation and application of the definition. Given the centrality of the *distribution system* definition to the effective operation of the Rules, the need for clarity is paramount. We submit that clarity can be achieved easily by using 'or' instead of 'and' at the end of paragraph (a).

Finally, the drafting style employed by the AEMC in Chapter 10 of the NER is that definitions do not use 'means'. For consistency in approach, we encourage 'Means' to also be removed from the definition of *distribution system*.

Yours sincerely



Tom Hallam  
General Manager, Regulation