

23 May 2019

Thomas Lozanov
AEMC
Level 5, 201 Elizabeth Street
Sydney, NSW 2000

Re: **Submission to National Electricity Amendment (Transparency of New Projects) Rule**

Dear Thomas,

Thank you for the opportunity to make a submission to the above rule change.

Canadian Solar is the 3rd largest manufacture of PV modules in the world and an active developer of large scale solar farms having successfully completed 4600MW of solar farms worldwide. In Australia, Canadian Solar has developed the Normanton, Longreach and Oakey Stage 1 solar farms which are currently operational and the Oakey Stage 2 Solar Farm which is nearing completion.

Please find our comments and responses to specific questions in the Consultation Paper below.

QUESTION 1: ASSESSMENT FRAMEWORK

(a) Do stakeholders agree with the proposed assessment framework? Alternatively, are there additional principles that the Commission should take into account?

Canadian Solar considers the assessment framework to be appropriate.

QUESTION 2: INFORMATION PROVISION FOR DEVELOPERS

- (a) Do stakeholders consider that developers do not have access to information necessary to construct and connect generation assets or large loads?
- (b) Should developers be allowed to register as intending participants? If so, what other considerations should be taken into account?
- (c) Do stakeholders consider that the information needs of intending participants and developers are identical? What information should developers receive? What information should developers *not* receive?
- (d) Do stakeholders have any views on the criteria outlined in AEMO's intending participant guidelines?

Canadian Solar considers that, with a few exceptions, intending generators have access to the information they require to develop and construct new generation. Canadian Solar typically registers their Project SPVs as Intending Participants, but we have no objection to project development companies being allowed to register as intending participants.

QUESTION 3: NEW BUSINESS MODELS

- (a) Do stakeholders have views on special purpose vehicles registering as intending participants?
- (b) Can stakeholders suggest any generation business models that should be prohibited from registering as intending participants?

Canadian Solar considers that SPVs should continue to be able to register as intending participants.

QUESTION 4: TIMING OF INFORMATION PROVISION

- (a) Do stakeholders have any views on when information should be provided to intending participants?

As a suggestion, Canadian Solar considers that information could be provided after lodging of the Detailed Connection Enquiry Response. Initial connection enquiries are free of charge,

and many initial connection enquiries are not followed up by the project actually progressing. Therefore, we consider that a milestone, such as lodging of a Detailed Connection Enquiry Response, that requires some expenditure and implies the proposal is a serious project would be a more appropriate point for the information to be made available to intending participants.

QUESTION 5: DE-REGISTRATION

- (a) Do stakeholders have views on the current de-registration process for intending participants? Should it be enhanced?
- (b) Do stakeholders have any views on what might be considered 'positive steps' in relation to developing a project?

Canadian Solar does not disagree that projects that have not taken any positive steps over an extended period could be de-registered; however, we consider that AEMO should send written notification of an intention to de-register thereby providing the developer an opportunity to supply information about project progress of which AEMO may not be aware. With regards to positive steps, they should be objective milestones such as: development application, development approval, completion of steady state or dynamic studies and submission to the NSP, revision and submittal of such studies etc.

QUESTION 6: NOTIFICATION OF PROJECT CHANGES

- (a) What are stakeholders views on imposing a requirement on intending participants to provide AEMO with revised information when their project changes? Is it feasible for participants to comply with such a requirement?
- (b) Should such a requirement also be extended to new project proponents that are not intending participants?
- (c) The AEC propose that AEMO is notified of any changes to projects within ten business days - do stakeholders have any views on this timeframe?

- (a) Canadian Solar considers that a requirement for participants to immediately notify AEMO of any project changes to be rather onerous and consider that a more collaborative approach would be more appropriate. For example, AEMO could send out quarterly reminders to a designated contact person asking for updates to be made to an online portal.
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- (b) Whatever regime is incorporated should also apply to non-intending participants
- (c) As discussed above, we consider such a rigid timeframe to be undesirable and unnecessary.

QUESTION 7: PUBLICATION OF DATA BY TNSPS

- (a) Do stakeholders have any views on the information that TNSPs are proposing to disclose? Should additional information be required to be disclosed? Is any of this information not relevant?
- (b) Would this information be helpful to proponents and generators in helping them to coordinate developments?
- (c) Do stakeholders consider TNSPs' TAPRs are the appropriate place for the above information to be published?
- (d) Do stakeholders consider there may be unintended consequences of publishing this information?

- (a) Canadian Solar considers the information proposed to be disclosed to be reasonable; however, it should be recognized that the “estimated completion date” is very difficult to estimate accurately until the project is approaching Notice to Proceed. In addition, it is not clear how useful, or necessary, the stated “function” of a generator would be.
- (b) While we are aware there have been a few instances where intending generators have worked together to achieve a more efficient network outcome, there are many more examples of such efforts failing to come to fruition resulting in substantial expense in time and resources without a successful result.

We consider that the Rule Change Consultation Paper overstates the potential for intending generators (or an intending and existing generator) to ‘work together’ to facilitate the new generator coming into the market. Generators are, of course, competitors which is the first hurdle. More importantly, existing generators, or the more progressed intending generator, potentially has significant economic incentives to discourage new nearby generators as these new generators are likely to cause worse MLF outcomes and potentially increased curtailment in congested parts of the network.

For the particular issue of System Strength Remediation, it is clear that a far more efficient outcome for the network, and thereby consumers, would be for TNSPs to procure remediation equipment, such as Synchronous Condensers, and sell this service to intending generators. Generators are much more likely to contract with

a TNSP rather than a competing generator. However, there would need to be active oversight by the AER to make sure that TNSPs sold this service under reasonable prices and conditions.

(c) Either TNSPs or AEMO would be appropriate locations for such information.

QUESTION 8: PUBLICATION OF DATA BY TNSPS

(a) Do stakeholders consider the connection enquiry stage is an appropriate time for the above information to be published?

(b) Do stakeholders agree with Energy Networks Australia's statement that basic connection information is not commercially sensitive?

(a) See response to Question 4.

(b) Basic connection information would be considered by many developers to be commercially sensitive early in the project development process.

QUESTION 9: COOPERATION AMONGST GENERATORS

(a) Do stakeholder consider the publication of data by TNSPs, as proposed by Energy Networks Australia, will assist generators to coordinate with each other?

See response to question 7(b) above.

QUESTION 10: CONFIDENTIALITY PROVISIONS

(a) What are stakeholders' views on the proposed changes to confidentiality provisions?

(b) Do stakeholders think any of the information listed above is likely to be commercially sensitive?

(a) Canadian Solar agrees that AEMO spending time searching for information in the public realm so that it can be legally disclosed is not an efficient or desirable use of their time.

(b) As stated previously, the information listed is likely to be considered commercially sensitive by many developers early in the project development process.

With regards to the specific information fields listed, the “Unit Status” could be commercially sensitive if the status was of a detailed nature. For example, a Unit Status of “5.3.4(a) letter from AEMO received” would likely be considered commercially sensitive by many intending participants.

QUESTION 11: CONFIDENTIALITY EXCEPTIONS

(a) Do stakeholders have any views on the current confidentiality exceptions?

See response to Question 10(a).

QUESTION 12: AEMO’S GENERATION INFORMATION PAGE

(a) Should AEMO be required under the NER to maintain the generation information page?

(b) Should AEMO be required to update the generation information page on a regular basis? And if so, how frequently, e.g. monthly, bi-monthly or quarterly?

Canadian Solar considers that the Generation Information Page should be updated monthly. Updating the page every 3-6 months, particularly with regards to which development projects are officially “Committed”, as is the case today, is undesirable and inefficient. If AEMO requires this to be included in the NER in order to provide timely updates, then Canadian Solar supports the NER requiring monthly updates.

Canadian Solar is broadly supportive of efforts to increase transparency for intending generation in the NEM and appreciates the opportunity to make a submission for this rule change. We would be pleased to discuss our response with the AEMC in more detail, if desired.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Upson". The signature is written in a cursive, flowing style.

Jonathan Upson

Director, Origination

Jonathan.Upson@canadiansolar.com

