



Thomas Lozanov
Project Leader
Australian Energy Market Commission

Transparency of new projects, Consultation Paper

23 May 2019

Dear Mr Lozanov,

Aurizon Network Pty Ltd (**Aurizon**) welcomes the opportunity to make a submission in relation to the Australian Energy Market Commission's (**AEMC**) *Transparency of new projects, consultation paper* (**Consultation Paper**).

Background

The Consultation Paper reflects an aggregation of three separate rule change requests relating to relaxing confidentiality obligations associated with connection to the transmission and distribution grids. Each of these requests are similar but reflect different strategic drivers. Given the large number of reviews and rule change requests, Aurizon supports the AEMC's decision to consider the three rule change proposals together.

Issues

Scope of the rule changes

It is apparent from the Consultation Paper that the rule change proponents are seeking to address information gaps and consequential market challenges associated with the connection of new generation, particularly new asynchronous generation.

As a major industrial load customer that owns and operates the electric traction network that forms part of the Central Queensland Coal Network, Aurizon does not have a view regarding the merits of this. However, consideration should be given to distinguishing between generation that is installed by or for load customers at their existing connection point (in front or behind the meter) and generation that is proposed for a different purpose. The latter appears to be the focus of the rule change proposals.

Impact on load customers

Connection applications by load customers are specifically included in the scope of the Consultation Paper. However, the Consultation Paper has limited analysis of the nature of load customer information that would be disclosed or its commercial sensitivity. There is very limited discussion about what, if any benefits the AEMC or rule change proponents consider would arise from reducing confidentiality obligations relating to existing or potential load customers.

Instead, it focuses almost exclusively on the challenges associated with information asymmetry and limited transparency of projects for new generation projects. The Consultation Paper's focus on connection applications means it is unclear whether the proposed changes are intended to apply to existing load connections, or the modification of an existing connection.

Aurizon considers that all information about existing, new (and potential) load connections is highly commercially sensitive, and disclosure of the information could therefore be prejudicial. The case for greater transparency for load connections has not been explained or justified with respect to the problem it would address and the benefits it would provide by any of the rule change proponents, nor in the Consultation paper. For clarity, Aurizon does not consider a battery to be a 'load customer' to which this submission refers. Aurizon does not accept the Energy Networks Australia position that the published information is otherwise already in the public domain. This assertion reflects a misunderstanding of the specificity of publicly available information.

Aurizon recommends that the existing confidentiality obligations remain in place for load customers. However, if Transmission Network Service Providers, AEMO or other agencies consider there is merit in sharing load customer information, they can seek permission from the relevant load customer to do so. Load customers can then "opt in" to some or all of the disclosure arrangements as agreed. Alternatively, information can be shared as agreed on a case by case basis. Because the number of existing and prospective load connections are unlikely to be significant (relative to the number of generation applications referred to in the Consultation Paper), Aurizon considers that this would not impose a major burden on Transmission Network Service Providers, or other agencies.

Any additional transparency obligations should not be imposed on load connections because that information is highly commercially sensitive, and disclosure would likely be prejudicial. Information regarding existing or potential load connections should only be shared where express consent is provided.

Conclusion

We welcome the opportunity to further engage on this issue and the AEMC's willingness to consult with stakeholders. Aurizon cautions that the scope and consequences of any reform should be carefully considered.

If you wish to discuss further, please do not hesitate to contact myself, or Liam Byrnes (liam.byrnes@aurizon.com.au / 07 3019 1231).

Yours sincerely



Steve Straughan
Head of Network Customers