

23 May 2019

Mr John Pierce AO
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged via AEMC website

Dear Mr Pierce

TRANSPARENCY OF NEW PROJECTS (ERC0257): CONSULTATION PAPER

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in renewable energy and energy storage along with more than 6,000 solar and battery installers. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC welcomes the opportunity to provide feedback on the consultation for the transparency of new projects rule change. There is a significant amount of potential generation that could enter the National Electricity Market (NEM) in the near future. Maintaining a balance of useful information available to the market that promotes efficiency while protecting confidentiality where necessary is key. We particularly support measures that can potentially contribute to the alleviation of connection delays for the industry.

The CEC supports the intention of the transparency of new projects rule changes. Having more information available to the market could better inform proposed projects, assisting with project planning and design. Additionally, we support the intention to create an environment for increased collaboration in the market between proponents, particularly for system benefits.

With the current pace of new developments in the market, new business models have evolved to service this expansion, in particular the build, own, operate and transfer model. It is important that all new developments are able to access the information required to design and construct their plant efficiently, regardless of business model.

We understand the intention to increase transparency of information behind the separate proposals to codify the Australian Energy Market Operator (AEMO) generation information page and publish generator information by Transmission Network Service Providers (TNSPs) in their Transmission Annual Planning Reports (TAPR). However, frequent reporting of this information creates an administrative burden on proponents. The framework suggested by the rule change proposals also create the potential for duplication of efforts and could lead to confusion, particularly where there are differences between different reporting sites.

The clean energy industry suggests this be streamlined by having TNSPs gather this information as they do currently through the enquiry and application processes and then

having the TNSPs input that information into an AEMO online portal. The consultation paper states generators could input this information into the portal, our suggestion is essentially the same process with TNSPs performing that function. This will limit some of the administrative burden on the industry and reduce duplication by AEMO and the TNSPs whilst ensuring consistency of information. For this arrangement to be efficient, TNSPs would need to be required to update the information via the online portal a set number of days out from AEMO generation page updates rather than an ongoing basis within a set number of days of a change as is currently proposed.

The granularity of project information collected and presented requires careful consideration. There is a clear distinction between a connection enquiry and a connection application. The CEC suggests separate reporting and publishing processes are established for projects in the connection enquiry phase and those in the connection application phase.

Information for projects at the connection enquiry phase should be available via aggregated data by regions within a state. This should detail the total MWs of enquiries and the number of projects proposed, both by technology type. This is currently the way that AEMO is representing enquiry information in their Victorian NEM generation map¹. Publishing information on individual enquiries is likely to be less helpful to the market as the information is more speculative and therefore less accurate due to constant changes as developers refine their projects. Aggregated reporting also reduces the administrative burden as projects parameters change frequently during this phase.

During the connection application phase of project development, project specifications are solidified. The CEC support the suggested information in the rule change being made available to the market at this stage. It may also be worthwhile establishing a threshold level to report information changes. This may limit the need for constant updating of immaterial changes to the detail of a project.

The attachment outlines specific comments regarding each of the rule change proposals.

Thank you for the opportunity to comment on this consultation. If you would like to discuss any of the issues raised in this submission, please contact Tom Parkinson, Policy Officer, on (03) 9929 4156 or tparkinson@cleanenergycouncil.org.au or myself, as outlined below.

Yours Sincerely,



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¹ AEMO, *Victorian NEM Generation Maps*, https://www.aemo.com.au/-/media/Files/Electricity/NEM/Network_Connections/Maps/VIC-Generation-V2019-04.pdf, (accessed 22 May 2019)

CEC response to the rule change requests

AEMO rule change request

The Australian Energy Market Commission (AEMC) should assess the potential for misuse of information that may be provided to would-be Intending Participants who have no intention of ever participating in the market. We support more information becoming available, however balancing the benefits of information transparency and the potential for misuse of information is of key interest to industry.

Currently, recourse against parties who misuse information is tied to their eventual market registration and the threat of deregistration as a market participant. This course of action has no impact on a party that has no intention to participate in the market. The AEMC should give due consideration to the regulatory mechanism that will be used to hold these parties accountable to confidentiality requirements.

The CEC notes a lack of clarity surrounding what information would be provided to new entrants to the Intending Participant category under this rule change. An overview of the types of information that may be provided is outlined in the paper, however further clarification is welcomed regarding:

- Would data provided be aggregated data or individualised data sets
- What timeframe would the data set cover
- The level of granularity in the data

Australian Energy Council (AEC) rule change request

The AEMC should clarify the threshold for the intending participant class. Currently the threshold is 30MW as it is linked to the eventual registration. This links to the pending rule change request on generator registration thresholds, which suggests reducing the threshold from 30MW to 5MW. The AEMC may also need to consider the potential for transparency of projects connecting to the Distribution Network Services Providers (DNSP) in light of this rule change and the impending threshold changes.

The timing for the requirement to notify AEMO of information changes warrants further consideration by the AEMC. Project details are likely to frequently change during the early development phase and as such requiring notification of changes during the connection enquiry phase could be inefficient. Once a project reaches connection application may be a natural time to enforce notification requirements.

The CEC suggests the timeframe for reporting be changed to a set time period before AEMO is expected to make updates to its generation information page. This ensures the least burden on industry while ensuring AEMO's information is still kept up to date. Requiring industry to update every 10 days may lead to several updates by industry within a 30-day AEMO update cycle

It may be worthwhile considering a threshold that limits the reporting of incremental change to project details through to AEMO. Throughout project design and construction, details may change frequently with a significant proportion of these changes being considered minor and of insignificant consequence to the market. Limiting the reporting requirements of these minor changes could lessen the administrative burden on participants.

Energy Networks Australia (ENA) rule change request

The CEC suggests information gathered via connection enquiries should be published as aggregated data by region and only include total MWs of enquiries and the number of projects proposed, both by technology type.

We support the more complete project information outlined in the rule change proposal being published for projects only at the connection application phase.

The CEC supports the AEMC's suggestion that this rule change may complement the 2017 rule requiring generators to 'do no harm' to the security of the power system. The paper notes the potential benefits if the TNSPs can share information regarding the impact connecting generators will have on the system however it is unclear if this level of detail is included in the listed information sets in the paper. We agree the sharing of this information may lead to more efficient outcomes such as the construction of one larger synchronous condenser in an area rather than several smaller individual synchronous condensers.

We suggest the TNSPs are made responsible for reporting project information through to AEMO via an online portal to limit administrative burden on the industry.