

12 September 2019



Ms Anne Pearson
Chief Executive
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Ms Pearson

ERC0257 National Electricity Amendment (Transparency of New Projects) Rule 2019 – Draft Rule Determination

Ergon Energy Corporation Limited (Ergon Energy) and Energex Limited (Energex) welcome the opportunity to provide comment to the Australian Energy Market Commission (AEMC) on its Transparency of New Projects Draft Rule Determination (Draft Determination).

This submission, which is available for publication, is provided by Ergon Energy and Energex as distribution network service providers (DNSPs) operating in Queensland.

Ergon Energy and Energex are disappointed to note that the AEMC in its Draft Determination has advised of its intent to only apply the rule changes relating to the Transparency of New Projects to Transmission Network Service Providers (TNSPs), on the basis that current National Electricity Rules (NER) provisions which govern generation connections are entirely different for distribution networks relative to transmission networks.

As stated in our submission dated 23 May 2019 responding to the AEMC's initial consultation on the Transparency of New Projects Rule 2019, we are of the view that DNSPs are experiencing an equivalent level of generation enquiries and connections to TNSPs. In Queensland, as at 31 July 2019, we had 23 committed embedded generation projects with a combined capacity of 926 megawatts (MW) under construction and intending to connect to our distribution networks. A further 104 projects with an estimated capacity of 4.5 gigawatts were also in various stages of the application process. We therefore remain of the view that the rule change should be extended to include DNSPs.

In support of this position, we point out that clause 5.1.2(d) of the NER prescribes that for an embedded generating unit connecting to a distribution network where the connection applicant is a registered participant (or a person intending to become a registered participant), clauses 5.3 and 5.3A apply. In turn, clause 5.3.1A only excludes clauses 5.3.2, 5.3.3, 5.3.4 and 5.3.5 from embedded generators. Accordingly, clause

5.3.8 applies to DNSPs, and the proposed new wording for clause 5.3.8(d) references a *network service provider*. In our view this would suggest this clause does apply to DNSPs.

With respect to the register, as drafted the rule provides for the register to contain information about Registered DNSP generators but does not include information about committed projects or those in the enquiry phase. In our view, this will lead to customer confusion, particularly for those seeking connection in an area of "high interest". For example, Ergon Energy currently has four large generation projects with an interest in one particular area. One generator committing has the potential to impact the feasibility of the other three generator connections. However, Ergon Energy is not able to provide these other generator connections with specific information such as location or size of the committed generator. As such, we suggest that DNSPs should have the ability to choose to provide information for the register where it is in an area of "high interest" and benefits the customer.

Finally, Ergon Energy and Energex suggest that the proposed new clause 3.7F(d)(1) be clarified so that the generator information guideline is limited to prescribing key connection information that is required to inform the market such as location, connection voltage, technology, timing and size. We do not support the inclusion of the guidelines prescribing the *scope* of information as this could potentially include additional information which has not been consulted on.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact myself or Barbara Neil on (07) 4432 8464.

Yours Sincerely



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