



INFORMATION

AUSTRALIAN ENERGY MARKET COMMISSION LEVEL 6, 201 ELIZABETH STREET SYDNEY NSW 2000
T: 02 8296 7800 E: AEMC@AEMC.GOV.AU W: WWW.AEMC.GOV.AU

Transparency of new projects

Final determination published for transparency of new projects

The Australian Energy Market Commission (AEMC) has released a final rule that will give market participants better and more up-to-date information about what new generation projects are in the pipeline, which can help businesses make better investment decisions, such as where to locate.

Context

Significant changes are underway in the National Electricity Market (NEM) with the increasing penetration of renewable generation (such as wind and solar) a key trend. Transmission Network Service Providers (TNSPs) are receiving an unprecedented volume of generation connection enquiries with 50GW of proposed (mainly renewable) projects in various stages of development; equivalent to current generation capacity in the NEM.

While there is a significant amount of transparent information about generators once they have connected to the grid, there is currently limited information available to market participants about prospective generators that are yet to sign connection agreements.

Changing market dynamics have also given rise to new business models, with developers now commonly building and selling generation assets prior to connecting them to the grid.

Overview of final determination

The Commission's final rule:

- facilitates greater access to relevant system information for developers that sell grid-scale assets prior to connection, while recognising that certain types of developers can already access this information by registering as intending participants
- codifies AEMO's generation information page in the National Electricity Rules (NER), which is an information resource that provides regularly updated data on existing and proposed generation connections to the national grid
- requires TNSPs to share key connection information about new generation projects with AEMO, which AEMO must then publish on its generation information page.

The final rule provides better and more up-to-date information about what generation projects are in the pipeline, making it easier and quicker for developers to assess the viability of proposed projects, as the energy market transitions. The final rule means market participants are better informed, and therefore may make more efficient decisions on where to invest in new generation, which could ultimately benefit consumers by promoting reliable supply at lower costs.

Implementation

Key dates for the implementation of the rule:

- From **19 December 2019**: Developers will be able to apply to access relevant system information under new arrangements.
- From **19 December 2019**: Key connection information provided as part of a connection enquiry or application (for a generating plant) that is submitted on or after this date must be shared by TNSPs with AEMO.
- By **31 January 2020**: AEMO will be required to publish its generation information page. This

time frame allows AEMO time to publish interim guidelines that set out the content of the generation information page and how it will be updated. TNSPs will have at least two weeks to process AEMO's guidelines before being required to comply with their new information sharing obligations.

The AEMC's broader work program

The AEMC is also considering longer term reforms to the way generators access and use the transmission network as part of its *Coordination of generation and transmission investment review*.¹ The AEMC recognises that the final rule increases visibility of new connections and may enable generators to better coordinate with each other and make locational decisions. The AEMC recently published two discussion papers on its preferred access model and ways to facilitate renewable energy zones.

Increased transparency of new connections may provide additional information to market participants which may help in assessing projects, including in assessing marginal loss factors. The AEMC is considering broader issues around how the transmission loss factor framework can continue to send the most appropriate signals to investors in the face of power system restructuring as part of a consolidated rule change process.² A draft determination for this project is due by 21 November 2019.

Background — rule change requests

The final rule is made in response to three rule change requests:

- The Australian Energy Council sought to improve information provision in the NEM by codifying AEMO's generation information page in the NER, reforming the intending participant category and clarifying the rules around disclosing confidential information.
- AEMO sought to allow developers that sell a grid-scale resource prior to connection to register as intending participants, giving these developers access to important system data.
- Energy Networks Australia sought to allow TNSPs to publish certain project information they have received from connection applicants.

The AEMC consolidated the three rule change requests at the start of the rule making process to best address overlapping issues and facilitate efficient stakeholder engagement.

For information contact:

Director, **Victoria Mollard** 02 8296 7872

Director, **Owen Pascoe** 02 8296 7856

Media: Communication Director, Prudence Anderson 0404 821 935 or (02) 8296 7817

24 October 2019

¹ For more detail see the project page: <https://www.aemc.gov.au/market-reviews-advice/coordination-generation-and-transmission-investment-implementation-access-and>

² For more detail see the project page: <https://www.aemc.gov.au/rule-changes/transmission-loss-factors>