

17 April 2024

Ms Anna Collyer
Chair
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Electronic Submission – ERC0363

Draft Determination – Enhancing Investment Certainty in the R1 process

Dear Ms Collyer,

Energy Networks Australia (ENA) welcomes the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on its Draft Determination on Enhancing Investment Certainty in the R1 process.

ENA represents Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

ENA welcomes the Draft Determination. We believe the draft Rule will make improvements to the R1 process whilst seeking to maintain system security. ENA supports the intent to speed up the connection process in a prudent and efficient manner. We recognise the need for all parties to work collaboratively to complete the R1 process. This includes avoiding delays to proponents' registration and dispatch, whilst maintaining the broader market's interest to ensure a stable power system that enables connected generation to be dispatched.

We consider the draft Rule is preferable to the original rule change proposal and makes improvements to R1 and 5.3.9 processes that balance responsibilities and risks borne by all parties in the connections process and addresses concerns raised by ENA and its members in their consultation responses.

In particular, ENA supports the existing overarching approach in the access standards framework being maintained. That is, connection applicants should be aiming for the automatic access standards (i.e. 5.3.4A(b1)) and meeting their agreed generator performance standards (i.e. 5.3.4A(b)(1A)(i)).

ENA supports the introduction of administratively simple changes that do not introduce additional complexity into the process. Due to the inherent challenges of prescribing and codifying aspects of the connections process, most benefits are expected to be derived from non-rules-based process improvements driven by industry collaboration. For example, many ENA members are already actively

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considering additional opportunities to improve the end-to-end timeframes and costs of connection in consultation with AEMO and connecting parties. For example, our members are working on streamlining the process through the Connections Reform Initiative and jurisdictional processes.

We note 5.3.7A(e) of the draft Rule proposes NSPs provide connection applicants with reasons and clarification when requesting additional data and information ‘within a reasonable period.’ ENA welcomes the flexibility this provides to TNSPs. This flexibility is appropriate because there is likely to be a range of different circumstances underpinning such requests.

ENA suggests the final Rule (within clause 5.3.7A) should clarify the distinction between the “capability of the generating system” and the “capability of the generating system to meet or exceed its performance standards.” The reference to “adequate data and information” should also be clarified.

The draft Rule requires the NSP and AEMO to provide written justification “within a reasonable timeframe” rather than attach a specific timeframe to respond. ENA members support this decision. While we endeavour to respond as quickly as possible, each connection application has its own unique challenges and should be assessed on a case-by-case basis. The timeframe to respond should reflect this.

ENA supports the proposed update to the ‘no less onerous’ clause to allow revisions of performance standards below what would be the existing standard for the plant, recognising the intent for changes to be as close as practical to the existing standard. We suggest Clause 5.3.4A(b)(1A)(ii) should be made explicitly in relation to legacy generators (as referred to in the draft determination).

Under the proposed drafting of 5.3.4A (1A) it is not clear if the proponent is expected to aim for the automatic access standard under the 5.3.9 process, or only the previously agreed performance standard. As referenced previously, new connections should be aiming for the automatic access standard. Whilst connections can be negotiated down from the automatic access standard, they still need to be above minimum access standards for a stable power stable system. All connected equipment should contribute to the stability of the power system.

ENA also supports the introduction of clause 5.3.7A(b) and (g), which formalise the commencement and conclusion of the R1 process. Importantly, both AEMO and NSPs should be involved in this formal notification and approval process. This recognises, NSPs are the primary point of contact for connection applicants and work closely with AEMO throughout the connections process.

ENA and its members will continue to work collaboratively with all parties on pragmatic, evidence-based improvements to the connections process to ensure a stable, secure power system through the transition.

Should you have any queries on this response please feel free to contact me, dadams@energynetworks.com.au.

Yours sincerely,



Dominic Adams

General Manager - Networks