Dear Mr. Pierce,

Draft Rule Determination
Embedded Generator Connections

Powerlink has reviewed the draft Rule for a new process to facilitate the connection of generators wanting to embed in distribution networks. The review raised two queries about the drafting of the application and offer stage of the connection process.

The queries concern whether the operation of three clauses (5.3A.8 with 5.3A.9, and 5.3A.9 with 5.3A.10) is unclear such that disagreements might arise between Network Service Providers ("NSP") and connection applicants. The potential disagreements would be over:

1. the period of time within which an applicant may make a connection application following receipt of an NSP's detailed enquiry response; and
2. an NSP's abilities to require more information from an applicant and to request an applicant to make a new enquiry because of significant variations between the applicant's final enquiry (to which the NSP has responded) and its subsequent connection application.

The attached extract of the draft Rule sets out the queries (highlighted in yellow) and possible amendments (marked up) to clarify the operation of the clauses. The suggested amendments are drafted to give surer effect to the Commission's intent as expressed in the draft Rule and as explained below.

The period of time within which an applicant may make a connection application after it has received a detailed enquiry response from the NSP is set out in draft cl5.3A.8(g). Draft cl5.3A.8(g) provides that a detailed enquiry response is valid for 30 business and lapses unless the NSP agrees to extend the time of its validity.
Draft Rule Determination
Embedded Generator Connections

Draft cl5.3A.9(a) then provides the applicant can lodge a connection application after receiving the NSP’s detailed enquiry response, but does not specify that the application needs to be made in accordance with draft cl5.3A.8(g). This drafting might lead to problems for the timely development of new projects particularly where an application varies materially from the relevant detailed enquiry response. The first suggested amendment would clarify that cl.5.3A.9(a) operates subject to cl.5.3A.8(g).

Draft cl.5.3A.9(d) provides that an NSP, having reviewed an application to connect, may with reasons ask the applicant to make a new enquiry if “proposed variations are materially different to the agreed project” (the “agreed project” being the project as defined in the NSP’s detailed response to the applicant’s enquiry). However, draft cl.5.3A.10(a) provides, without reference to draft cl.5.3A.9(d), that the NSP “to whom the application to connect is submitted under clause 5.3A.9(b) must proceed to prepare an offer to connect in response”. Cl.5.3A.10(a) also does not operate expressly with reference to cl.5.3A.9(e). The second suggested amendment would clarify that cl.5.3A.10(a) operates subject to cl.5.3A.9(d) and (e).

Powerlink suggests that the Commission amend the draft Rule along the lines suggested in the attachment to this letter. The amendments would give surer effect to the Commission’s intentions as expressed in draft cl.5.3A.8(g) and cl.5.3A.9(d) and (e).

Please contact Simon Taylor, Manager Network Customers, on 07 3866 1101 if you would like to discuss this letter.

Yours sincerely

Garry Mulherin
Executive Manager Investment and Planning
5.3A.8 Detailed response

(a) A Distribution Network Service Provider must within 2 business days after receiving the further information identified in S5.4A(q) provide written acknowledgment of receipt of it.

(b) If the further information provided under subparagraph (a) is incomplete in a material respect the Distribution Network Service Provider must within 10 business days after receipt of it, advise the Connection Applicant of the deficiency and what is required to address it.

(c) Unless:

(1) agreed otherwise; or

(2) the proposed connection requires the application of the regulatory investment test for distribution,

a detailed response must be provided within 30 business days of the date specified under paragraph (d).

(d) For the purpose of paragraph (c) the relevant date is the date on which the Distribution Network Service Provider has received all of the following:

(1) the enquiry fee;

(2) if the Connection Applicant was required in the preliminary response to provide further information, that information; and

(3) if the Connection Applicant was required to remedy a deficiency in the further information provided under clause 5.3A.7(b), the provision of that further information.

(e) Where the proposed connection requires the application of the regulatory investment test for distribution, the Distribution Network Service Provider and the Connection Applicant are to agree a timeframe for the provision of a detailed response enquiry, taking into account the status of the relevant RIT-D project (as defined in clause 5.10.2).

(f) A detailed response must include the information specified in:

(1) paragraphs (e), (j) and (k) of Schedule 5.4B;

(2) paragraphs (a)-(d) and (f)-(h) of Schedule 5.4B.

(g) A detailed response will remain valid for 30 business days from the date it is made and, if the Connection Applicant has not lodged an application to connect under clause 5.3A.9 within that period, lapses unless the Distribution Network Service Provider agrees to extend the timeframe within which it will remain valid.
(h) A Connection Applicant that is a Registered Participant may make a request in relation to technical requirements for access to the Reliability Panel in accordance with clause 5.3.3(b2)-(b4).

5.3A.9 Application for connection

(a) Following receipt of a detailed response under clause 5.3A.8, a Connection Applicant may, within the validity period referred to in clause 5.3A.8(g), make an application to connect in accordance with this clause 5.3A.9 and 5.3A.4.

Will 5.3A.9(a) operate subject to 5.3A.8(g) or should that be stated expressly?

(b) An application to connect may be submitted to the Distribution Network Service Provider and may be on the basis of:

(1) the agreed project; or

(2) proposed variations to project parameters and corresponding access standards and technical requirements contained in the detailed enquiry response (including proposed connection negotiated access standards in accordance with clause 5.3A.4).

(c) If the application to connect is made on the basis specified in subparagraph (b)(2) the Connection Applicant must include with the application to connect a statement outlining the material ways in which the proposed variations differ to the agreed project and the reasons for the proposed variations.

(d) After considering the application to connect and statement provided under paragraph (c), the Distribution Network Service Provider:

(1) may request the Connection Applicant to lodge a new enquiry under clause 5.3A.5 if the proposed variations are materially different to the agreed project; and

(2) must provide reasons for any request made under subparagraph (1).

(e) If the application to connect is incomplete in a material respect the Distribution Network Service Provider must, within 5 business days after receipt of it, advise the Connection Applicant of the deficiency, and the steps required to address it.

(f) The Connection Applicant may submit an application to connect to more than one Network Service Provider in order to receive additional offers to connect in respect of facilities to be provided that are contestable.

(g) The Connection Applicant may:

(1) lodge separate applications to connect and separately liaise with the other Network Service Providers identified in clause 5.3A.5(e) who may require a form of agreement; or

(2) lodge one application to connect with the Distribution Network Service Provider who processed the connection enquiry and require it to liaise with those other Network Service Providers and obtain and present all necessary draft agreements to the Connection Applicant.
5.3A.10 Preparation of offer to connect

(a) The Distribution Network Service Provider to whom the application to connect is submitted under clause 5.3A.9(b) must, subject to clauses 5.3A.9(d) and (e), proceed to prepare an offer to connect in response.

Will 5.3A.10(a) operate subject to 5.3A.9(d) or should that be stated expressly?

(b) So as to maintain levels of service and quality of supply to existing Registered Participants in accordance with the Rules, the Distribution Network Service Provider in preparing the offer to connect must consult with AEMO and other Registered Participants with whom it has connection agreements, if the Distribution Network Service Provider believes in its reasonable opinion that compliance with the terms and conditions of those connection agreements will be affected, in order to assess the application to connect and determine:

(1) the technical requirements for the equipment to be connected;

(2) the extent and cost of augmentations and changes to all affected networks;

(3) any consequent change in network service charges; and

(4) any possible material effect of this new connection on the network power transfer capability including that of other networks.

(c) If the application to connect involves the connection of embedded generating units having a nameplate rating of 10 MW or greater, the Distribution Network Service Provider must consult the relevant Transmission Network Service Provider regarding the impact of the connection contemplated by the application to connect on fault levels, line reclosure protocols, and stability aspects.

(d) The Transmission Network Service Provider consulted under paragraph (c) must determine the reasonable costs of addressing those matters for inclusion in the offer to connect and the Distribution Network Service Provider must make it a condition of the offer to connect that the Connection Applicant pay these costs.

(e) The Distribution Network Service Provider preparing the offer to connect must include provision for payment of the reasonable costs associated with remote control equipment and remote monitoring equipment as required by AEMO and it may be a condition of the offer to connect that the Connection Applicant pay these costs.

5.3A.11 Technical dispute

(a) Clause 5.9A applies to any dispute between a Distribution Network Service Provider and a Connection Applicant as to the technical requirements to establish or modify a connection sought by a Connection Applicant in a connection enquiry made under clause 5.3A.5 or an application to connect under clause 5.3A.9.