



## Connecting embedded generators

### AEMC starts consultation on rule change request

The AEMC today commenced a first round of public consultation on a rule change request from ClimateWorks Australia, Seed Advisory and the Property Council of Australia (the proponents). The request is to amend the National Electricity Rules (NER) to make a more efficient process for connecting embedded generators to distribution networks and clarify the costs for connections.

#### Details of the rule change request

On 18 April 2012, the AEMC received a rule change request relating to the connection process under the NER. The proponents consider the current provisions are not clear and do not provide sufficient certainty to connection applicants. The proponents' perceived problems with the existing arrangements, and how they suggest addressing the problems, are as follows:

- The connection process under Chapter 5 of the NER is insufficiently prescriptive. The uncertainty can result in significant delays in projects and therefore increases the costs to connection applicants. The proponents also consider that the terms and conditions for connection vary significantly between distributors. The proponents suggest that clearer timeframes be added to the connection process and there be standardisation of terms and conditions. They further propose that distributors be allowed to charge a 'fee for service' as an incentive for distributors to work more cooperatively with embedded generators.
- There is a lack of a technical standard under the NER for embedded generators. This means that the technical requirements are not transparent and can vary markedly between distributors. This lead to inefficiencies and uncertainty in the connection process. The proponents suggest that a technical standard for embedded generators be introduced (however, such a standard is not included as a part of the rule change request).
- The current provisions under the rules for determining connection costs and charges are not clear and transparent. The proponents suggest that distributors be required to publish information on how they calculate connection charges. The proponents also suggest that embedded generators should not have to pay shared network augmentation costs.

#### Background

In order to connect an embedded generating unit to the distribution network, the owner or operator of the unit would need to make a connection application with the relevant distributor. A connection process and technical requirements are set out under Chapter 5 of the NER. However, installations that are less than 30MW may be exempt from applying the Chapter 5 provisions (although any person can elect to use the Chapter 5 process). In the case where the Chapter 5 connection process is not used, the jurisdictional provisions would apply.

**Submissions are  
due 9 August 2012**

### **Consultation process**

A consultation paper has been prepared by AEMC staff to facilitate public consultation on this rule change request. This paper:

- sets out a summary of, and background to, the rule change request;
- identifies a number of questions and issues for consultation; and
- outlines the process for making submissions on this rule change request.

**Submissions on the consultation paper and rule change request are due by 9 August 2012.**

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