



Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

2 October 2014

Email: [submissions@aemc.gov.au](mailto:submissions@aemc.gov.au)

Dear Mr Pierce

### **ERC0158: CONNECTING EMBEDDED GENERATORS UNDER CHAPTER 5A DRAFT DETERMINATION**

The Victorian Distribution Network Service Providers (**Victorian DNSPs**), namely CitiPower, Jemena Electricity Networks, Powercor Australia, AusNet Services and United Energy, welcome the opportunity to respond to the consultation by the Australian Energy Market Commission (**AEMC**) in relation to the draft rule determination to Chapter 5A of the National Electricity Rules (**NER**) regarding negotiated connections for embedded generators.

As the AEMC is aware, Victoria has not yet adopted the National Energy Customer Framework (**NECF**), and therefore Chapter 5A of the NER does not currently apply. However the Victorian DNSPs consider that their views are relevant as it is anticipated that Chapter 5A will ultimately be adopted in Victoria.

The Victorian DNSPs generally support the draft rule where the embedded generator proponent can select either the Chapter 5 or Chapter 5A connection process. The Chapter 5A process has not been in place for very long in any jurisdiction. It is too early to tell whether there are problems in the application of this process that warrant amendment through a Rule Change. In addition, the introduction of a third connection process to apply to non-micro embedded generators into the NER would result in a substantial administrative burden. As such, the Victorian DNSPs consider that the AEMC has proposed a pragmatic solution to the issues raised by the Rule Change Proponent.

However, the Victorian DNSPs continue to question the benefit of publishing details of completed projects. for the following reasons:

- The specific issues that are faced at each connection point.
- The speed of evolution of embedded generator technology and network characteristics, which may render the make and models of embedded generator equipment and related diagrams and protection systems redundant over time.
- The limited number of embedded generators that consented to this technical information being published for their connections in the Chapter 5 register. For one DNSP, this resulted in no embedded generation projects being included on their register.

A quantitative cost benefit assessment should be carried out before it can be concluded that the benefits of establishing a register of these embedded generator installations would outweigh the costs. This should take into account the below points.

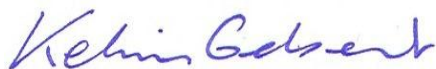
The Victorian DNSPs have substantially more unregistered embedded generator installations connected to their networks with a capacity between 30kW and 5MW than registered embedded generator installations. The administrative burden associated with seeking permission from each embedded generator and publishing the required information will be much more significant than was the case for the Chapter 5 register. Due to the high administrative burden and rate of obsolescence for these technologies the Victorian DNSPs suggest that, if a register is established, the period it covers should be narrowed to 2 years and limited to embedded generator installations above 1MW.

While the Victorian DNSPs support the AEMC's intent to make the requisite information in the register consistent with the requirements of Chapter 5, some of the components of the proposed register set out in draft clause 5A.D.1A may not be relevant for embedded generators below 5MW. This will depend on the size and location of the connecting plant. The Victorian DNSPs suggest that the information required by sub-clauses (1) to (4) of draft clause 5A.D.1A(b) are most relevant for this scale of embedded generator and as such the AEMC should consider limiting the register to these clauses alone.

We note that the draft Rule contains a number of typos which will be reviewed before the Rule is finalised. In addition, the reference to 'expedited *connection*' in the proposed clause 5A.D.1(5) should be clarified as this phrase is not a NER term.

The Victorian DNSPs would be pleased to discuss any aspect of this letter with the AEMC. Please contact Charlotte Coster, Regulatory Economist for AusNet Services on (03) 9695 6309 or [charlotte.coster@ausnetservices.com.au](mailto:charlotte.coster@ausnetservices.com.au).

Regards



Kelvin Gebert  
**Regulatory Frameworks Manager for AusNet Services**  
**On behalf of the Victorian DNSPs**