



EnergyAustralia

25 January 2017

Mr John Pierce
Mr Neville Henderson
Dr Brian Spalding
Australian Energy Market Commission

EnergyAustralia Pty Ltd
ABN 99 086 014 968

Level 33
385 Bourke Street
Melbourne Victoria 3000

Phone +61 3 8628 1000
Facsimile +61 3 8628 1050

Dear Commissioners

enq@energyaustralia.com.au
energyaustralia.com.au

Lodged electronically: www.aemc.gov.au (ERC0192)

AEMC 2016, Transmission Connection and Planning Arrangements, Rule Determination, 25 November 2016

EnergyAustralia is one of Australia's largest energy companies with over 2.5 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market.

We support the Australian Energy Market Commission's (the Commission's) findings that the introduction of additional contestability into transmission connections should provide the connecting party with more control over the connection process and improved outcomes. We provide comments on specific matters below.

Clarifying definition of Dedicated Connection Assets (DCA)

We believe the definition of DCA requires further clarification. There is ambiguity in where the DCA ends and where the generator begins that is likely to create issues during registration and demarcation of which assets are transmission assets under the National Energy Law and Rules. Whether this includes, for example, the assets involved in the reticulation of individual turbines of a wind farm, will have implications on the classification of a Large DCA among other things.

We would suggest at the minimum having some level of further guidance provided, possibly using diagrammatic examples of various typical DCAs across different generation types. These would not have to be exhaustive but would provide more clarity as to the intention of the rule.

Congestion on the shared network

We support the principle that services provided by shared network assets paid for by the original connecting party should not be degraded by subsequent connections. However, we question whether the power transfer provided by these assets can be easily delineated in practice from greater shared network services and access to the Regional Reference Price.

While the Identified User Shared Asset (IUSA), as constructed, is designed to provide a specified level of power transfer, this level is subject to constraints on the broader network itself. It may be difficult to adequately ensure that the IUSA's contracted power transfer levels are maintained following any subsequent connection given the IUSA is so dependent on the broader network.

Contestability in maintenance services

IUSAs and DCAs constructed together as part of a new connection will have similar maintenance requirements due to their similar age, location, reliability requirements, outage schedules, and functional specifications. Allowing the connecting party their choice of maintenance contractor will introduce scale efficiencies due to the responsibility for maintenance across both DCA and IUSA in a specific location lying with one party.

Maintenance will require coordination with the operator of the assets (i.e. primary Transmission Network Service Provider (TNSP)) under any contracting arrangement to ensure alignment of transmission, connection, and generation outages. We suggest further examination of whether shared network reliability outcomes can be guaranteed with contestable maintenance services on IUSA. We consider that these outcomes would be sufficiently managed in a similar manner to those relating to the DCA.

TNSP transparency and information publication requirements

In principle, we support the requirement for TNSPs to publish generic project information and specifications. However, we do understand that TNSPs may see some generic information as being difficult to provide and potentially misleading due to the bespoke nature of some connections. Where generic data is not appropriate, the TNSP could instead publish examples from past connections. This may provide a prospective connecting party with better information to engage in initial discussions with third-parties and to carry out location specific assessments.

It is proposed that no additional fee above the standard connection fee can be charged for detailed technical requirements for a particular connection. The cost of providing this information could differ greatly between projects of varying complexity. Allowing a cost reflective fee to be charged may allow for a lower fee for smaller and less complex connections.

If you would like to discuss this submission, please contact me on (03) 8628 1393.

Chris Streets

Industry Regulation Lead