



**EnergyAustralia**

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

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

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Mr John Pierce  
Mr Neville Henderson  
Dr Brian Spalding  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Dear Commissioners,

**Supplementary submission to the AEMC Transmission Frameworks Review Second Interim Report – National Connections Model**

EnergyAustralia welcomes the opportunity to comment on the supplementary submission prepared by the Australian Energy Market Operator (AEMO) that seeks to introduce a national connections model.

We are one of Australia's largest energy companies providing gas and electricity to over 2.7 million household customers. We own and operate an integrated portfolio of energy generation and storage facilities across Australia.

EnergyAustralia supports the national connection model proposed by AEMO to increase competition and contestability for proponent funded connections. We recognise that the model is a significant reform that would involve institutional changes in some jurisdictions to introduce contestability for the provision of separable shared network services (build, own and operate) beyond the interface to the local TNSP assets.

The key benefits of the AEMO proposal include:

1. Introducing contestability in the provision of connection services. AEMO's national connections model will change the process of relying solely on an incumbent TNSP to provide a connection service as a "negotiated service" under the National Electricity Rules (Rules). The emergence of new registered TNSPs – not just the incumbent TNSP – will allow them to construct, operate and maintain connection assets located on the shared network. Contestability in the provision of connection services will lead to innovation in service delivery (both construction and operation of assets) and lower prices for these services in the long run.
2. A nationally consistent approach to the connection of generators will improve the efficiency of the connection arrangements compared to the status quo. Currently, TNSPs apply different

approaches to connecting generators in the various jurisdictions which creates inefficiencies that delay the connection process.

3. Competition in providing connection services will drive more efficient and timely design and construction which will ultimately contribute to lower prices for consumers in the long run. In addition, by improving the quality and transparency of the information provided between connection applicants and TNSPs, it should improve the relationship between connection applicants and TNSPs.
4. AEMO's role in providing the system and technical requirements associated with the performance capabilities and outputs of the connection services may help facilitate connection applicants to make investment decisions. This will incentivise the market and the various TNSPs to come up with innovative solutions in order to achieve the required outcomes. Nevertheless, it should be recognised that a central point to manage and process all NEM connection enquiries and applications must not be allowed to become a bottleneck to the connection process. Whether AEMO or some other organisation is best suited to this role should be considered.

We understand that AEMO's national connection model does not change the National Electricity Rules (Rules) technical or security requirements associated with the registration, commissioning of new assets, physical connections and performance standards. Our support for this model is subject to the condition that this remains part of the proposal.

We thank the AEMC for considering our submission as part of its consultation framework. For any enquiries regarding this submission, please feel free to contact me on 03 8628 1240.

Yours sincerely

Signed for email

**Con Noutso**  
Regulatory Manager