

Email

14 August 2014

Mr John Pierce
Chairman
Australian Energy Market Commission
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Dear Mr Pierce

Consultation on Chapter 5A - minor changes

We refer to the Commission's consultation paper on connecting embedded generators under Chapter 5A.

In its Rule Change Request, the Clean Energy Council (at 3.7) notes that there are a number of incidences in Chapter 5A where the wording of the Chapter is unclear, and requests that the Commission reviews Chapter 5A to resolve these ambiguities and ensure that the Chapter is consistent with the rest of the National Electricity Rules.

We would like to draw your attention specifically to 3 errors or ambiguities which we have noticed and ought to be corrected under this requested review.

1. Definition of "micro embedded generator"

Clause 5A.A.1 presently provides:

micro embedded generator means a *retail customer* who operates, or proposes to operate, an *embedded generating unit* for which a *micro EG connection* is appropriate.

An ambiguity arises from the use of "retail customer" in this definition. The ambiguity arises because "retail customer" is defined in the National Electricity Law, but expanded in clause 5A.A.1. It raises a doubt as to whether a person must meet the definition of "retail customer" in the National Electricity Law, before it can be a "micro embedded generator", or whether the definition in clause 5A.A.1 expands the class of "retail customers" to include persons who otherwise would not be "retail customers" as defined in the National Electricity Law, but who come within that definition for the purposes of Chapter 5A by reason of their operation of an embedded generating unit.

The ambiguity is removed if you avoid the circular use of "retail customer" and amend the definition to read as follows:

micro embedded generator means a ~~retail customer~~ person who operates, or proposes to operate, an *embedded generating unit* for which a *micro EG connection* is appropriate.

The definition of "retail customer" in Chapter 5A will then deem each of such persons to be "retail customers" for the purposes of Chapter 5A.

2. Reference to agent of retail customer in clause 5A.A.2

Clause 5A.A.2 presently provides:

This Chapter does not apply to, or in relation to, a *connection applicant* that is a *Registered Participant* or an *Intending Participant* unless the *Registered Participant* or *Intending Participant* is acting as the agent of a *retail customer*.

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Where the *connection applicant* is itself a *retail customer* in relation to the connection process (but a Registered Participant in other respects), a doubt has been expressed as to whether it can act as agent for itself in order to have Chapter 5A available to it for connections such as a *micro EG connection*.

This doubt would be removed if the clause was amended to be expressed in this way:

This Chapter does not apply to, or in relation to, a *connection applicant* that is a *Registered Participant* or an *Intending Participant* unless the *Registered Participant* or *Intending Participant* is acting as the agent of a *retail customer*, or is itself a *retail customer* (as defined in this Chapter) in respect of the connection.


3. **Deemed agency of Small Generation Aggregator - clause 5A.A.3**

Clause 5A.A.3 presently provides:

A Market Small Generation Aggregator is deemed to be the agent of a retail customer, where there is an agreement between the *Market Small Generation Aggregator* and the retail customer relating to the retail customer's *small generating unit* under which the *Market Small Generation Aggregator* is financially responsible for the *market connection point* at which the *small generating unit* is connected to the *national grid*.

There are several missing italicisations of "retail customer" in this clause.

Yours sincerely



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