

Identified User Shared Assets

A TNSP View

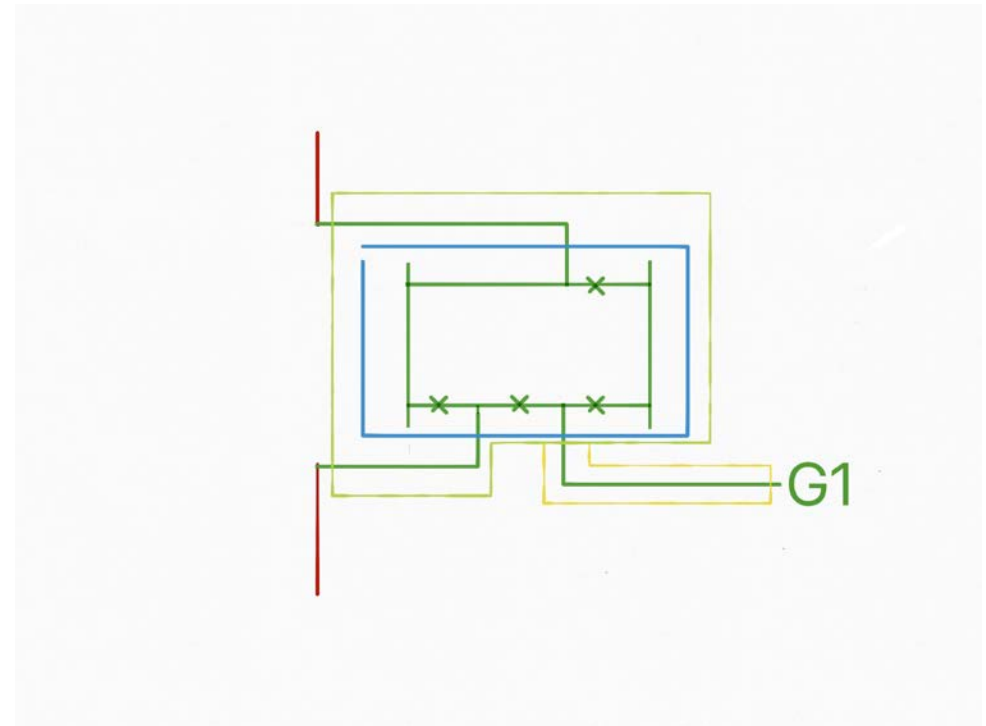
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Outline

TNSPs' perspective on the boundaries of contestability for identified user shared assets:

- Model A
- Model B

Third party Access



The two models

Service	Model A	Model B
Setting the functional specification (including performance standards). For example, typical substation parameters, equipment rating, performance requirements, preferred equipment, voltage of connection and protection requirements	Not contestable. Incumbent TNSP provides as a negotiated service	Not contestable. Incumbent TNSP provides as a negotiated service
High-level design (layout and configuration of the assets to meet the functional specification)		Contestable
Cut in works (works to cut into the existing shared network or interface works)		Not contestable. Incumbent TNSP provides as a negotiated service
Construction	Contestable	Contestable, but incumbent TNSP is accountable for the impact that the provision of these services has on the shared transmission network, (including operational decisions such as switching)
Ownership	Contestable, subject to agreement with TNSP regarding operation and maintenance.	
Operation (day to day operation of the assets, including decisions about timing of maintenance)	Not contestable. Incumbent TNSP is accountable for the impact that the provision of these services has on the operation of the shared transmission network. These services are negotiated services, therefore charges for providing them are determined in accordance with the NER framework for the provision of negotiated services.	
Maintenance (services required to keep assets operational or replacing parts)		

TNSP View

> Model A

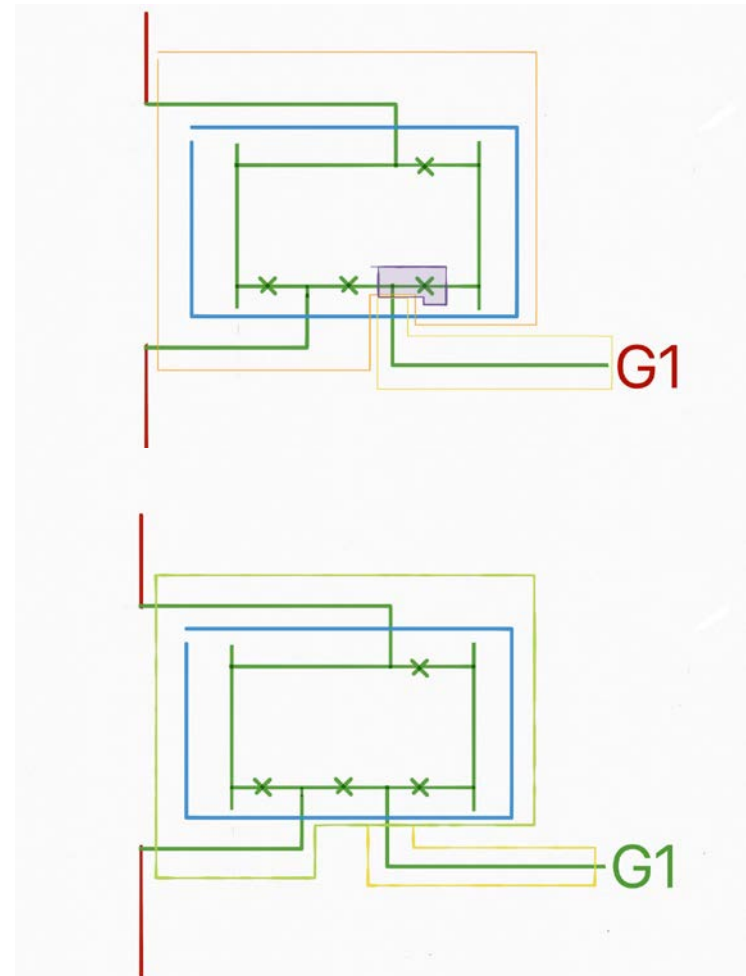
- As required to provide O&M the local TNSP has a higher role in specifying design and plant
- If non-standard plant and systems used then O&M clearly more challenging
- All impacts of the new substation on the shared network and incentive schemes must be borne by the connecting party as is the case in Victoria.

> Model B - preferred

- The party that builds it is accountable for O&M
- Local TNSP being accountable for the impact that the provision of these services has on the shared transmission network is problematic without greater control of design or acceptance of liability by connecting party
- All impacts of the new substation on the shared network and incentive schemes must be borne by the connecting party as is the case in Victoria.

Third Party Access

One party is simple...



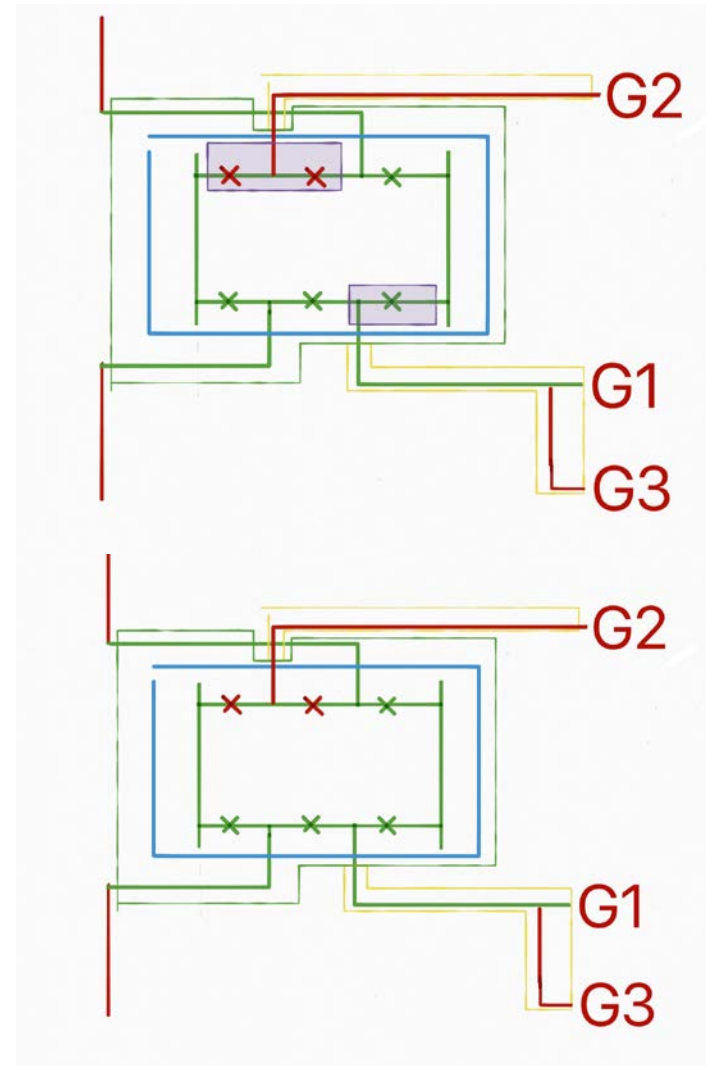
Third Party Access

Typically the cost sharing between G1 and subsequent parties is contemplated in TCA's.

It is readily achievable.

It is important to note that access capacity is to the substation not to the network.

Multiple ownership in a substation would further complicate matters under either model A or B



Other issues

- > It is noted that as there is effective competition there is no requirement for a “TNSP of last resort” for generator connections

Thank you

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