



Factsheet – connection process for embedded generators

Connection process under final rule

The Australian Energy Market Commission has made a rule to reduce barriers to the connection of embedded generators to distribution networks. The new rule introduces a clearer, more transparent connection process which is explained by this fact sheet.

The final determination and rule change request

The Commission's final rule and associated final rule determination respond to the issues raised by the connecting embedded generators rule change request. These issues include the availability of information to assist connection applicants; provisions for technical information and standards; and whether embedded generators should contribute to shared network augmentation costs. This factsheet outlines the connection process under the final rule.

Go to the [information sheet](#) published with this factsheet for an overview of the Commission's final determination and final rule.

Application of the final rule

The final rule amends Chapter 5 of the NER and applies to registered embedded generators (that is, generators with a capacity greater than 5MW). In addition, smaller generators located in Victoria and Queensland may, in some circumstances, be able to use the new Chapter 5 connection process.

Embedded generators with a capacity less than 5MW, and located in states other than Queensland and Victoria, are to use the connection processes set out in Chapter 5A of the NER.

Embedded generator connection process under the final rule

The new connection process that would apply for embedded generators seeking connection to a distribution network under the final rule has three stages. These are:

- the preliminary enquiry stage;
- the detailed enquiry stage; and
- the connection application stage.

To obtain a connection offer from a distribution network service provider (DNSP or distributor), the connection applicant is to follow each of these stages sequentially. However, where agreement is reached between the embedded generator and the distributor, it is possible to bypass the preliminary enquiry stage.

The connection process – step by step

A flowchart depicting the connection process is on page 3 (Attachment 1). The following steps describe how the connection process for embedded generators under the final rule would be applied.

- 1) Prior to lodging a connection enquiry, the applicant can review the '**information pack**' that a distributor has published. The information pack will include information on: applying the connection process; example costs; a model connection agreement; and relevant technical information.

The new connection process includes flexible timeframes – accommodating the different needs of very diverse local generators seeking to connect to distribution networks.

- 2) To initiate the connection application process, the applicant will complete the **connection enquiry form** that the distributor has published and submit the completed form to the distributor.
- 3) Within 15 business days, or as otherwise agreed, of receiving a completed enquiry form the distributor will provide the applicant with a **preliminary enquiry response**.
- 4) The distributor's preliminary enquiry response will include high level qualitative information, including among other things, technical information relevant to the enquiry; information on network constraints that may apply in that area; and any likely need for shared network augmentation. The response will also specify the information required to lodge a request for a detailed enquiry response.
- 5) The distributor may also charge an **enquiry fee** to undertake a detailed enquiry. An estimate of the enquiry fee or component of the enquiry fee and what aspects may change must be specified in the preliminary enquiry response.
- 6) The applicant will then consider the preliminary enquiry response and decide whether to proceed with the enquiry to the detailed enquiry stage.
- 7) To lodge a request for a **detailed enquiry** response, the applicant will submit the information as outlined in the preliminary response and pay any applicable enquiry fee.
- 8) The distributor will confirm that the request has been received. It is expected that this stage of the process will be iterative and distributors and applicants may need to communicate and negotiate on relevant access requirements and other commercial terms and conditions.
- 9) The distributor will be required to provide a **detailed enquiry response** within 30 business days, or as otherwise agreed.
- 10) The detailed enquiry response is to include, among other things, details of the access standards; whether negotiated access standards are likely to be required; an explanation of the components of all the charges that may be incurred and estimates of those charges; proposed draft connection agreement; an explanation of the remainder of the connection application process; and what information the applicant needs to provide to make a connection application (and in accordance with existing provisions, any relevant application fee).
- 11) The applicant will consider the detailed enquiry response and decide whether or not to submit a connection application.
- 12) To lodge a **connection application**, the applicant will provide the information requested by the distributor.
- 13) The distributor will then prepare an **offer to connect** within four months unless otherwise agreed with the connection applicant. The offer to connect will include an itemised statement of connection charges.
- 14) Once the distributor has made the offer to connect, the applicant will decide whether or not to **accept the offer** within 20 business days or as otherwise agreed with the distributor.

Attachment 1: Overview of connection process (next page)

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Attachment 1: Overview of the connection process under Chapter 5 of the National Electricity Rules

