

2 October 2014

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235



Dear Mr Pierce

Draft Rule Determination National Electricity Amendment (Connecting Embedded Generators under Chapter 5A) Rule (ERC0158)

Energex Limited (Energex) appreciates the opportunity to provide a submission to the Australian Energy Market Commission's (AEMC's) draft rule determination on connecting embedded generators under Chapter 5A of the National Electricity Rules (Rules).

Energex is overall supportive of the AEMC's draft rule determination, particularly if the alignment of Chapter 5 and 5A of the Rules processes may reduce regulatory compliance costs and improve certainty for embedded generation (EG) connection applicants. However, Energex has the following comments:

1. Connection applicants can choose which framework to apply

Energex does not support the AEMC's proposal that it is at the sole discretion of the connection applicant which framework it wishes to proceed under. Rather, Energex suggests that the AEMC consider amending the draft rule so that where a connection applicant elects to connect under Chapter 5, it must seek agreement from the DNSP and such agreement cannot be unreasonably withheld.

2. Register of completed non-registered EG projects

Energex is concerned that the requirement to establish and maintain a register of completed non-registered EG projects will result in additional compliance and operational costs to the DNSP without any corresponding net benefit to customers. Energex estimates that its register will require a list of approximately 100 connections over the past five years. Further, Energex suggests that due to the increasing up-take and advancement of technology (e.g. solar, battery and tri-generation) the five year period should be reduced to two years.

3. Draft rule 5A.D.1A

In relation to the drafting of clause 5A.D.1A, Energex notes that:

- 5A.D.1A(b)(6) - should be amended to clarify the level of detail required in relation to protection systems and communication systems.
- 5A.D.1A(b)(7) should be amended to clarify the level of detail required in relation to voltage control and reactive power capability.

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- 5A.D.1A(b)(8) disclosure of locational information should be subject to any privacy and confidentiality issues as it may be possible to identify particular EG customers by the location of their facility.

Should you have any queries regarding this submission, please contact Rachel Leaver, Network Regulation Manager, on (07) 3664 4115.

Yours sincerely

A handwritten signature in black ink, appearing to read "Neil G. Andersen". The signature is written in a cursive style with a large initial 'N' and 'A'.

Neil Andersen
Group Manager Regulation and Pricing