



6 August 2012

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

Dear Commissioners,

**Re: AEMC Embedded Generation Rule Change Response**

**A: Introduction**

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TRUenergy welcomes the opportunity to comment on the proposed rule change National Electricity Amendment (Connecting embedded generators) Rule 2012.

The proposed rule change relates to the process of connecting embedded generation into the distribution network. As a retailer and developer, TRUenergy has firsthand experience connecting embedded generators into the distribution network for our customers. In general, we consider that the rule change will provide benefits to industry, the NEM, developers and consumers as it aims to improve the efficiency of the process by which embedded generators are connected into the NEM.

TRUenergy supports changes that to the National Electricity Rules (Rules) that streamline the process of connecting generators. For this reason, we are encouraged by the Rule change. Nevertheless, for the sake of competitive neutrality, we would support changes to the Rules that sought to improve the process of connecting large scale generation to the transmission system. We look forward to the opportunity to discuss this further in our response to the Transmission Frameworks Review – Second Interim Report.

In general, TRUenergy considers that the following criteria are important in achieving an efficient connection process for embedded generators:

- a consistent approach to the connection process across DNSPs in the NEM
- consistent technical standards across DNSPs in the NEM
- consistent timeframes across DNSPs in the NEM in connecting embedded generators, and
- clarity on technical issues regarding a connection.

## **B: Key Issues**

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### **Complying with Chapter 5**

Currently Chapter 5 of the NER appears to target larger scale generators connecting into the transmission and sub-transmission network. It is in this context that technical requirements and (lack of end-to-end) timeframes are described in the NER. Whilst this may be appropriate for the larger generators, the process to connect embedded generators can be quicker and less prescriptive and the connection procedure under Chapter 5 fails to grasp this.

Specifically the problems with using the connection procedure under Chapter 5 for embedded generators are:

- lack of clarity on technical data on generators
- lack of clear timeframes by which a DNSP should respond.

### **Publishing Details of Information Requirements**

TRUenergy considers that the publishing of detailed information requirements as key to improving the connection process for embedded generators. It is also important that the information requirements are consistent across all DNSPs in the NEM for it to provide complete value.

Currently too much time is spent communicating and understanding the varying connection requirements of DNSPs. Considering that there are several DNSPs across the NEM, this can be an involved and time consuming process. Therefore publishing this information up front would minimise the time spent by Developers in sorting out the different connection processes while streamlining the process and making subsequent connections, whether to the same DNSP or others, simpler and quicker.

The deficiency of the current process is the lack of up-front detail in the information requirements of embedded generators for an assessment of their connection. Also the lack of consistency in the process of assessing connections by the various DNSPs is a deficiency.

### **Response to Connection Enquiries**

TRUenergy considers that it is important that a Connection Enquiry submitted to a DNSP is acknowledged as received.

DNSPs' should make clear the appropriate person and their contact details to which the Connection Enquiry should be directed to.

If the connection is rejected, details should be provided to explain the reason and further communication offered to discuss the matter to resolve any potential issues.

### **Information to be Included in Offers to Connect (OTC)**

TRUenergy agrees that including an itemised statement of connection costs would improve current arrangements by giving developers greater visibility into their connection. Connection costing should be consistent across DNSPs and apply to all types of connections.

The itemised costing will enable the developer to better understand their connection to the grid and what they are paying for; does the cost include upstream network augmentations, capital costs, design and labour costs etc.

### **Setting out the time to connect in the preliminary program**

TRUenergy is in favour of specifying a timeframe to finalise the OTC in the preliminary program. If factors arise that prevent the DNSP from completing the OTC within the timeframe, the DNSP should clearly communicate these reasons, the action needed to be taken by whom to overcome these obstacle(s) and an indicative period of delay to the developer. The DNSP should take steps to minimise delays and keep the developer informed of the status of their connection application.

Factors that typically cause delays to the timely processing of connection applications are the lack of complete and accurate information on the generator, site, end customer, etc sent to the DNSP.

### **Providing an Offer to Connect within 65 business days**

TRUenergy considers it feasible to finalise an OTC for an embedded generator within 65 business days.

In general, TRUenergy's experience has been that embedded generator connections have been completed within 65 business days and therefore believe this is a reasonable timeframe for the connection process.

The instances where the connection was not completed within 65 days involved a lack of communication from the DNSP as to what was required from the developer to keep moving the process forward.

A clear timeframe to achieve an OTC gives developers more confidence in their planning and decision-making processes.

### **Technical Standards for Embedded generators**

TRUenergy understands that the lack of technical standards for embedded generators has resulted in incomplete generator data being sent to the DNSP which in turn has caused delayed connections. Therefore it is logical that a set of standards for different types of generators be developed to simplify this connection process.

### **Right to export to the grid**

TRUenergy believes that if a generator has been disallowed from exporting to the grid, the DNSP is obliged to provide clear reasons as to why this is the case. A better understanding of these reasons may enable the developer to formulate a solution such as a run-back scheme.

## **C: Conclusion**

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TRUenergy supports this rule change on the basis that it will improve the current process of connecting embedded generators.

As one of Australia's largest retailers with customers in South Australia, Victoria, NSW and Queensland, an improved connection process with the DNSP enables TRUenergy to provide an efficient and streamlined service to customers wishing to connect embedded generators to the distribution network. A specific timeframe to achieve an OTC, consistent technical standards across the NEM and itemised connection costing are all important in creating an efficient connection process for embedded generators.

We thank the AEMC for its consideration of the issues that we have raised in response to the draft rule proposal. For any enquiries regarding this submission, please feel free to contact Mr. Con Noutso - Regulatory Manager at TRUenergy on Tel: 03 8628 1240

Regards

Signed for email

Con Noutso  
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TRUenergy