



Ms Anita Lai  
Project Leader  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

15 August 2012

Email: [submissions@aemc.gov.au](mailto:submissions@aemc.gov.au)

Dear Ms Lai

**RE: ERC0147 – NATIONAL ELECTRICITY AMENDMENT (CONNECTING EMBEDDED GENERATORS) RULES 2012**

**1. Introduction**

CitiPower and Powercor Australia (**the Businesses**) welcome the opportunity to make this cross-submission to the Australian Energy Market Commission's (**AEMC**) on the submission made by Wood and Grieve Engineers (**Wood and Grieve**), on the "Consultation Paper National Electricity Amendment (Connecting Embedded Generators) Rules 2012" (**Consultation Paper**) that was released on 14 June 2012.

The Businesses stand by the submission that they made to the AEMC on the Consultation Paper on 9 August 2011 – nothing in this cross-submission changes any of the Businesses' positions in that submission. However, this cross-submission addresses issues raised by Wood and Grieve in relation to certain connections to CitiPower's distribution system as discussed in section 2 of this submission.

**2. Issues**

**2.1. Exhibition Street – connection of co-generation**

Wood and Grieve claim that an "island mode" solution was adopted in relation to a connection request relating to a co-generation facility by a building owner in Exhibition Street (**applicant**) in order to "quarantine a low risk solution to the building owner".

CitiPower is surprised by this assertion because the final connection agreement between CitiPower and the applicant:

- Was facilitated by a consultant other than Wood and Grieve; and
- Provides for the connection of a generator to be synchronised and operated in parallel with CitiPower's network. This is not an "island mode" solution as suggested by

**REGISTERED OFFICE**

40 Market Street, Melbourne VIC Australia Telephone: (03) 9683 4444 Facsimile: (03) 9683 4499  
Address all Correspondence to: Locked Bag 14090, Melbourne VIC 8001 Australia  
CitiPower Pty ABN 76 064 651 056 General Enquiries: 1300 301 101 www.citipower.com.au  
Powercor Australia Ltd ABN 89 064 651 109 General Enquiries: 13 22 06 www.powercor.com.au

Wood and Grieve. One of the benefits to the customer of the arrangement provided in the final connection agreement is that in the event the customer's generator is disconnected, CitiPower's network will continue to supply the customer's installation up to the agreed supply. If the generator was operating in "island mode" and stopped generating, then the part of the customer installation being supplied by the generator would lose supply until the customer was able to switch within their installation.

## 2.2. The VCCC proposed connection

Wood and Grieve suggests that the VCCC (**applicant**) has engaged them to assist it prepare a connection application to connect to CitiPower's distribution system. Wood and Grieve claim that:

- CitiPower's has indicated that the application process will be between 6 to 8 months which is significantly in excess of the 65 business day time frame required in the *Victorian Electricity Distribution Code (Code)*;
- CitiPower will need to undertake a network analysis study;
- CitiPower has indicated that the cost of connection will be \$50,000 or above;
- The technical requirements are onerous and in some areas cumbersome;
- If they had information on the fault level headroom then they would understand the likelihood of being able to connect embedded generation to CitiPower's distribution system with minimal augmentation costs.

CitiPower understands that the applicant is seeking connect to its distribution network to:

1. Take electricity supply; and
2. Connect its own embedded generation units (embedded generators).

CitiPower emphasises, however, that it has only received a connection enquiry in relation to item (1). The applicant has not made a connection enquiry in relation to item (2) and therefore CitiPower is concerned about the issues raised by Wood and Grieve as they seem to relate to the potential connection of embedded generation units.

For the purposes of clarity, CitiPower notes that in relation to:

- The connection enquiry for taking supply, CitiPower's offer is with the customer for their consideration; and
- The potential connection of generation units, the applicant must first submit a formal connection enquiry in order for CitiPower to:
  - Commence assessing the application (connection of generators) against the technical and safety requirements;
  - Assess the extent of network reinforcement that is required to facilitate the connection of the generators and maintain the quality, security and reliability of supply to other customers and ensure that the network continues to operate safely;
  - Identify all possible network options for connecting the applicant's generation units; and
  - Make a connection offer.

CitiPower has not commenced any of the above tasks, and will only commence these tasks once it has received a formal connection enquiry and all the information it requires to assess any proposed connection of generation units to its distribution network.

CitiPower confirms that:

- There are network constraints in the area where the applicant is located and may seek to connect generators. Therefore, should CitiPower receive a formal connection application, it would be required to undertake scenario analysis to determine the need for network reinforcement required to safely facilitate the connection;
- There are several factors that could impact on the timeframes for making a connection offer to the applicant including:
  - The quality and completeness of the initial information provided by the applicant. As noted, the applicant has not yet filed a formal connection enquiry for the connection of generation units;
  - The extent of network reinforcement required to facilitate the proposed connection. As noted above, the network is currently constrained in the area in which the connection applicant is likely to seek connection. CitiPower has informed Wood and Grieve that this is likely to be improved as a result of CitiPower's on-going network development plans, in particular when work on Bouverie Queensberry Zone Substation and Brunswick Terminal Station is completed; and
  - The number of feasible alternative network options for connecting the generation units. This may require an iterative exchange of information between CitiPower and the applicant.
- Given the above, it is possible that it could take between 6 to 8 months for CitiPower to make a connection offer; and
- Any connection charge associated with the future connection of generation units to its distribution network will be calculated in accordance with the Essential Services Commission's (ESC) Guideline 15 (**Guideline 15**).

### 3. Closing

It is important to remember CitiPower has a responsibility to all its customers and the community to ensure electricity is delivered in a safe and reliable manner. The processes that will or have been undertaken for each of these connection applications is, in the Business's view, both prudent and necessary. To not undertake these processes would place at risk customers and the community, something CitiPower is not willing to do.

Please do not hesitate to contact Stephanie McDougall, Manager Regulatory Projects, on (03)9683 4518 or [smcdougall@powercor.com.au](mailto:smcdougall@powercor.com.au), if you would like to discuss the positions presented in this cross-submission or have any questions regarding this cross-submission.

Yours sincerely



**Brent Cleeve**  
**MANAGER REGULATION**