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Submission to AEMC

Connecting embedded generators draft final rule

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Total Environment Centre's National Electricity Market advocacy

Established in 1972 by pioneers of the Australian environmental movement, Total Environment Centre (TEC) is a veteran of more than 100 successful campaigns. For nearly 40 years, we have been working to protect this country's natural and urban environment, flagging the issues, driving debate, supporting community activism and pushing for better environmental policy and practice.

TEC has been involved in National Electricity Market (NEM) advocacy for ten years, arguing above all for greater utilisation of demand side participation — energy conservation and efficiency, demand management and decentralised generation — to meet Australia's electricity needs. By reforming the NEM we are working to contribute to climate change mitigation and improve other environmental outcomes of Australia's energy sector, while also constraining retail prices and improving the economic efficiency of the NEM — all in the long term interest of consumers, pursuant to the National Electricity Objective (NEO).

Draft final rule

We have reviewed the draft final rule and position paper. The new rule will advance connections for embedded generators and meets the needs of electricity customers.

We understand that some DNSPs are seeking to delay the introduction of the final rule. The Commission should implement the new rule by 1 October 2014, or sooner, as it has already taken longer than expected. Also, the Commission has provided ample consultation to all stakeholders.

In line with the proponents, we recommend that proposed rule 5.3.6 (b3) should include that DNSPs may not unreasonably withhold consent to an applicant's extension of the 20 business day offer to connect. This feature will be given to DNSPs by applicants at the preliminary and detailed response stages by applicants.

The Commission should also require DNSPs to publish the makes and models of embedded generators that are connected to DNSPs' networks. This was agreed to at the November 2013 workshop, but is not included in the draft final rule or position paper.

Finally, we believe the validity period between the detailed response and application stages should be re-established. A six month period would be appropriate, an extension may be granted if the connection applicant and DNSP agree, and consent may not be unreasonably withheld by either party.

This improvement would provide the whole connection process with consistency as flexible validity periods are provided in other stages for applicants and DNSPs. On a practical level, this is a critical part of the connection process; one that makes or breaks projects. Multiple parties sign contracts and investors need confidence about the viability of projects. The absence of a validity period at this point could reduce investor confidence and derail projects.

Yours sincerely,



Jeff Angel
Executive Director