



Factsheet – connection process for embedded generators under draft rule

Connection process under draft rule for consultation

The Australian Energy Market Commission has made a draft rule to reduce barriers to the connection of embedded generators to distribution networks. This factsheet provides an outline of the connection process under the draft rule, which provides a clearer, more transparent connection process with defined timeframes.

The draft determination and rule change request

The Commission's draft determination and draft rule 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. An information sheet published with this factsheet provides an overview of the Commission's draft determination and draft rule. This factsheet outlines the connection process under the draft rule.

Embedded generator connection process under the draft rule

The connection process that would apply for embedded generators seeking connection to a distribution network under the draft 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.

The connection process – step by step

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

- 1) Prior to lodging a connection enquiry, the applicant can review the **'information packs'** 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.
- 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 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, among other things, technical information relevant to the enquiry; whether negotiated access standards would likely be required; 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. The enquiry fee must be specified in the preliminary response.

Distributors are to make offers to connect for agreed projects within 20 business days

- 6) The applicant will then consider the preliminary 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. If the applicant lodges the request for a detailed enquiry three months or more after the receipt of the preliminary response, the distributor may request a new connection enquiry be lodged.
- 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) For connections that will not require shared network augmentation, the distributor will be required to provide a **detailed enquiry response** within 30 business days. For connections that will require shared network augmentation, the distributor would provide the response within a timeframe as agreed with the applicant. In any case, this timeframe must be within four months.
- 10) The detailed enquiry response is to include, among other things, the access standards as discussed and negotiated with the applicant; an explanation of the components of all the charges that would 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 distributor's detailed enquiry response would constitute an '**agreed project**'. Agreed projects will be subject to a fast track connection application process as discussed below in steps (13) and (14).
- 12) The applicant will consider the detailed enquiry response and decide whether or not to submit a connection application and, if so, whether to change the requirements of the project.
- 13) To **lodge a connection for the agreed project**, the applicant will provide the information as requested by the distributor. If the applicant lodges the connection application six weeks or more after receiving the detailed enquiry response, the distributor may request a new connection enquiry be lodged.
- 14) The distributor will then prepare the **offer to connect within 20 business days** of receiving a complete connection application. (To the extent the distributor is required to consult with transmission network service providers, other users of the network, or the Australian Energy Market Operator, the time awaiting responses from these parties will not be included in the 20 business days.) The offer to connect will include an itemised statement of connection charges.
- 15) If the applicant wished to alter its requirements from those set out in the agreed project, the applicant may do so. To **lodge a connection application with variations**, the applicant will submit the information as requested in the detailed enquiry response plus information to explain how its application differs to the agreed project. If appropriate, the applicant will include new access standards. If the applicant lodges the connection application six weeks or more after receiving the detailed enquiry response, the distributor may request a new connection enquiry be lodged.
- 16) The distributor will then **agree a response timeframe** with the applicant. Subject to the extent of the variations, the distributor may request the applicant to lodge a new connection enquiry.
- 17) 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. The offer to connect will include an itemised statement of connection charges.

