



V14/792

Mr James Eastcott  
Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235

Dear Mr Eastcott

I was pleased to note that on 30 January, 2014, the Australian Energy Market Commission (AEMC) released a Draft Final Rule and Position Paper on connecting embedded generators. This is a complex but very important part of the National Electricity Rules (NER) and I commend the AEMC for its work in this area.

During our review of the Draft Final Rule and Position Paper it was noted that the Draft Final Rule clarifies that for jurisdictions who have adopted the National Energy Customer Framework (NECF) such as NSW, Chapter 5 of the NER is proposed to cover generating systems with rated capacities greater than the standing exemption from registration with the Australian Energy Market Operator (AEMO).

Connection of generating systems with rated capacities less than the standing exemption from registration with the AEMO will be in accordance with Chapter 5A of the NER. I note that the provisions of Chapter 5A were established with this separation in mind.

It was also noted that reference is made to contestable provision of connection infrastructure. As NSW has the most developed and long standing contestable services regime utilising Accredited Service Providers to provide connection services to retail customers, it was considered appropriate to note that this regime does not apply to generators covered by Chapter 5. Division 4 of Part 3 of the *NSW Electricity Supply Act 1995* addresses the arrangements for *customer connection services* and specifically states in Section 24 (3) that these are *connection services* within the meaning of Chapter 5A of the NER.

Should you have any further enquiries about this matter, I have arranged for Mr Adrian Amey, Manager Supply & Network Policy, to assist you. Adrian may be contacted at the Department's Elizabeth Street Office on telephone (02) 8281 7449.

Yours sincerely

**Andrew Lewis**  
**Executive Director**

4/2/14