

19 October 2020

Ms Merryn York
Acting Chair
Australian Energy Market Commission

Lodged online: www.aemc.gov.au

Dear Ms York,

TRANSMISSION ACCESS REFORM – INTERIM REPORT

Established in 2009, Goldwind Australia offers comprehensive wind power solutions, including investment, construction, operation and maintenance services.

Goldwind Australia is a wholly owned subsidiary of Xinjiang Goldwind Science & Technology; a leading vertically integrated global wind power company offering comprehensive wind power solutions.

Goldwind welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC's) Interim Report in relation to its transmission access reform proposal. We have followed the development of the proposal with strong interest, both directly with Steven Nethery's participation in the COGATI Technical Working Group and through engagement in the Clean Energy Council's (CEC's) workshops on the proposal.

Goldwind does not support the transmission access reform proposal and strongly suggests that the work to further develop and implement the proposal should be discontinued in order to free up AEMC and industry resources for other more pressing issues. We recognise the significant effort to develop this proposal to date. However, similar to the CEC's submission, we feel that the proposal is simply the wrong model.

At a high level, we provide the following comments in support of our position.

- The proposed model does not solve the pressing need for increased transmission capacity.
- Projecting locational marginal prices and financial transmission right requirements will be extremely difficult for generators to forecast, leading to increased uncertainty and cost for new investments.
- The uncertainty, complexity and cost associated with the proposal will increase the cost of capital for projects, which will ultimately result in higher consumer costs.
- At a time when new investment in generation is critical, this reform would inhibit new investment.
- Whilst Goldwind see several issues with the existing access regime, we do not believe that locational marginal pricing is the solution.

Goldwind's previous submission on access reform stated that the reform could be used to allocate finite transmission network capacity. The design of the access reform to date has not achieved this. The reform has instead focused, first and foremost, on implementing locational marginal pricing with other considerations being secondary.

Goldwind has provided input to the development of the CEC's submission. As such, the CEC's submission represents our views, and we provide our full support to the position taken by the CEC.

If you have any questions regarding this submission or wish to discuss our position in more detail, please do not hesitate to contact **Steven Nethery** at stevenethery@gmail.com or **Sam Fyfield** at samfyfield@goldwindaustralia.com



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Kind regards,

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