

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

Total Eren, S.A. is a global Independent Power Producer specialized in renewable energy, with vast experience and expertise in the development, financing, construction, and operation of wind and solar PV projects worldwide. Thanks to its unique track-record in developing new projects located in new geographies, Total Eren, S.A. today owns over 3,300 MW of renewable energy assets in operation or under construction, as well as over 2,000 MW of projects under development, spread across 5 continents.

Total Eren Australia Pty Ltd (**Total Eren Australia**), the wholly-owned subsidiary of Total Eren, S.A., is the developer and long-term equity investor of the 200 MWac Kiamal Solar Farm and the 190MVA_r Kiamal Synchronous Condenser situated in north-west Victoria. Total Eren Australia intends to develop further opportunities to invest in other renewable energy projects in Australia.

Total Eren Australia 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 acutely followed the development of the proposal with strong interest, both directly and through engagement in the Clean Energy Council's (**CEC's**) workshops on the proposal.

Total Eren Australia 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 to address other more pressing issues. We recognise the significant effort to develop this proposal to date. However, similar to the CEC's submission, we consider that the proposal is simply the wrong model, pursued at the wrong time.

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.
- The requirements in relation to projecting locational marginal prices and financial transmission rights will be extremely difficult for generators, 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 have a chilling effect on new investment.
- Actioning the Integrated System Plan and the development of renewable energy zones will assist to address congestion and provide locational signals for new generators. An assessment of the need for access reform should wait until it is clear what residual issues may persist once these processes have matured.

If you have any questions regarding this submission or wish to discuss our position in more detail, please do not hesitate to contact Trevor Lim via Trevor.Lim@total-eren.com.

Kind regards,

Kam Ho
Managing Director
Total Eren Australia Pty Ltd