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28 January 2021

Ms Merryn York
Acting Chair – Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged via www.aemc.gov.au

Dear Ms York,

Connection to Dedicated Connection Assets – Draft Rule Determination

Acciona Energy Australia Global Pty Ltd (**Acciona Energy**) appreciates the opportunity to provide its comments on the AEMC's draft rule determination dated 26 November 2020 (**Draft DCA Rule Determination**) regarding the connection to dedicated connection assets (**DCA**) and associated draft rule (**Draft DCA Rule**).

Acciona Energy has reviewed the Draft DCA Rule Determination and Draft DCA Rule, and participated in several industry consultation events run by AEMC. Acciona Energy supports the Draft Rule Determination and Draft DCA Rule, and believes they provide a workable solution to the issues identified with the existing DCA regime.

The proposed commencement, savings and transitional arrangements for the Draft DCA Rule are outlined in section 8 of the Draft Rule Determination and set out in Schedule 5 of the Draft DCA Rule. The AEMC proposes that the final DCA rule commence 6 months after it is made and not apply to connection agreements entered into before then.

The 6 month period between the date the final DCA rule is made (the "**Publication Date**") and the date the final DCA rule commences (the "**Commencement Date**") has been proposed to allow industry participants time to prepare for the new DCA regime (see section 8.1 of the Draft DCA Rule Determination). For example, Primary TNSPs, the AER and AEMO will need to update various systems and procedures, and Primary TNSPs will need to put access policies in place.

The AEMC has indicated the Publication Date is currently expected to occur in early March 2021. Based on the proposed commencement, savings and transitional arrangements, the Commencement Date would occur 6 months later in early September 2021. New projects would need to sign a connection agreement after that date to benefit from the new DCA regime.

In Acciona Energy's opinion, the existing DCA regime and the issues identified with it create significant impediments to new generation projects. It is effectively not possible to stage projects or to effectively share dedicated connection assets between projects or stages. As a result, many projects are either not possible or would not be financially viable, and will be unable to proceed until the Commencement Date.

Acciona Energy requests the AEMC consider modifying the commencement, savings and transitional arrangements to allow a project to opt into the new DCA regime before the Commencement Date by agreement with the relevant TNSP. For example, the modified arrangements could incorporate the following principles:

- The mechanism to opt into the new DCA regime would apply to connection agreements entered into in the period between the Publication Date and the Commencement Date.
- The connection applicant and Primary TNSP will need to agree that the new DCA regime is deemed to apply before the connection agreement is entered into. The connection agreement would then be based on the new DCA regime.

- Where the connection applicant and Primary TNSP opts into the new DCA regime, the connection applicant's facility is unable to be connected to the transmission network until the Commencement Date.

Acciona Energy believes this modification will result in the final DCA rule being more likely to achieve the National Electricity Objective for the following reasons:

- The modification will prevent delays to investment in projects which would otherwise be financially viable and able to proceed.
- The modification will allow connection applicants to better manage project timelines by providing a degree of flexibility during the period between the Publication Date and the Commencement Date.
- Many industry participants have been closely following the DCA rule process and will not take long to familiarise themselves with the final DCA rule. Not all participants will require the proposed 6 month preparation period.
- The connection applicant and Primary TNSP can assess whether they are prepared for the DCA rule and decide whether to opt into the new DCA regime.
- As part of agreeing whether to opt into the new DCA regime, the connection applicant and Primary TNSP can agree how to deal with any outstanding matters (eg: access policy).

If you would like to discuss any aspect of this submission, please do not hesitate to contact me.

Yours sincerely



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