



2/04/2020

Martina McCowan
Australian Energy Market Commission (AEMC)
Level 6, 201 Elizabeth Street
NSW 2000

Via electronic lodgement

Dear Martina,

Re – Connection to dedicated connection assets: ERC0294

Mondo appreciates the opportunity to comment on the AEMC's Consultation Paper on the Connection to Dedicated Connection Assets Rule change proposal (Consultation Paper).

Mondo provides a variety of contracted transmission and distribution services, including grid connections for new generators, battery energy storage systems and aggregation of distributed energy resources.

Below are our responses to the questions contained in the consultation paper.

QUESTION 1: CREATING INDIVIDUAL CONNECTION POINTS

1.1 Should each Registered Participant connected to a DCA be required to have an individual connection point? What would be the consequences of creating a transmission network connection point at the point where each participant's facility connects to the DCA?

Mondo can see value in having individual connection points for each Registered Participant connected to a DCA. As noted by the AEMC in the Consultation Paper however, careful consideration needs to be given to how this is achieved, as there are many roles and responsibilities that apply to parties at a transmission connection point. The issues raised in the Consultation Paper perhaps could be accommodated using an approach similar to the Parent / Child connection points that have been implemented for embedded networks Rule in 2015.

Bright future.

In concept, a practical solution could perhaps be achieved whereby the current obligations for metering and connection continue at the current transmission connection point, and a simpler set of roles and responsibilities would then apply at the individual DCA connection points. For example, it could be that there is no need to appoint individual FRMPs for each DCA connection point, but rather, the FRMP for the (parent) transmission connection point could assume responsibility for all of the (child) DCA connection points.

1.2 Should the DCA connection point to the shared transmission network also continue to be a transmission network connection point or would this 'DCA connection point' need to be defined differently? If so, how?

As noted above, having the DCA connections defined separately, as effectively embedded in the DCA network, would be preferred, as it then allows different roles and responsibilities to apply.

1.3 Would a metering installation continue to be required at the DCA connection point? How should TUOS charges be levied for load customers connected to a DCA?

As noted in response to question 1.1, it would be helpful if there was some metering available at each DCA connection point, to allow the generation and/or load profiles at each DCA connection point to be measured. However, given that the (parent) transmission connection point would already have NEM high quality metering to measure the net of all the DCA connection points, perhaps it could be acceptable to allow a lesser quality metering requirement imposed for the individual DCA connection points. In effect, the individual DCA metering would essentially be used to apportion the high quality transmission connection point meter to the individual participants connected to the DCA.

QUESTION 2: NEGOTIATION AND ENFORCEMENT OF PERFORMANCE STANDARDS

2.1 Do the current arrangements give rise to issues in terms of negotiating, monitoring and enforcing performance standards? What would be the costs of leaving the negotiation of NER responsibilities up to the contractual arrangements with other proponents/the DCASP compared to AEMO's proposed solution?

Mondo agrees that the issues identified by AEMO in their Rule change request are likely to create confusion and uncertainty as to which parties are responsible for performance standards, and at which point they should apply. Mondo would not favour the DCASP being made responsible for negotiation of performance standards with the parties connected to the DCA, as the matters dealt with in a performance standard are more relevant to the primary TNSP. Mondo is therefore broadly supportive of AEMO's proposal that each individual connected facility would have its own performance standard. We would further suggest that each of these individual performance standards would be agreed with the primary TNSP, and be applicable not at the DCA (child) connection point, but at the transmission (parent) connection point.

In the event that a new connection was sought after the initial set of performance agreements were in place, then the new connection would need to either ensure that its connection either does not impair on the original identified user group, or remediates any negative impact.

2.2 If performance standards were to be negotiated at individual connection points to a DCA, should these be negotiated by the DCASP or the Primary TNSP? Would both NSPs need to be involved?

As noted above, we believe it is important that the primary TNSP remain responsible for all performance standards within its region, to ensure adequate coordination and overall performance. The DCASP is unlikely to have sufficient resource or expertise to carry out such a role. Our view is that the performance standards should apply not at the DCA (child) connection point, but at the Transmission (parent) connection point.

2.3 Which parties should have responsibilities for maintaining system strength?

As noted in the consultation paper, connecting generators currently have an obligation to “do no harm” in relation to system strength, and in some cases, may be required to cover the cost of any remediation work required to sustain adequate system strength. If the primary TNSP determines that connection of an identified user group at a particular transmission connection point will require system strength remediation, then the cost for that remediation should be shared among all of the connecting participants in the identified user group. On the other hand, where a single new participant seeks to connect to an existing DCA, and this imposes new costs for system strength, then all additional remediation costs should be met by the single new participant.

2.4 Are there alternatives to AEMO's proposal, e.g. could the negotiation and enforcement of performance standards for parties connected to a DCA occur at a point other than a facility's connection point to the DCA?

Yes – as noted above, we believe that the individual performance standards should apply at the transmission (parent) connection point, and not at the DCA (child) connection point.

QUESTION 3: TRANSMISSION LOSSES

3.1 Should MLFs for individual facilities in an identified user group connected to a DCA be calculated consistent with the rest of the NEM?

The consolidation of loads and generators in an identified user group means that if a single MLF is calculated and applied to all users, it is unlikely to accurately reflect each individual participant’s energy usage patterns. This is similar to the previously identified issue with the calculation of MLFs for pumped hydro generators which have variable generation and load at a single connection point. This issue was resolved by allowing AEMO to calculate separate MLFs at a single connection point under some circumstances (NER 3.6.2(b)(2)(i)). Mondo suggests that this same principle could be applied to calculate individual MLFs for each participant in an identified user group.

3.2 Should the DCASP instead calculate average DCA loss factors for DCA connected proponents to reflect losses on the DCA? Are there any other alternatives to calculate transmission losses?

If the proposal outlined above is adopted, and AEMO calculate individual MLFs for each participant in an identified user group, then AEMO could calculate all individual participant MLFs at the transmission (parent) connection point, and then a further loss factor would then be added to reflect the additional loss from the transmission connection point to the DCA connection point. This additional loss could be

calculated by the DCASP using a similar methodology to that used currently by DNSPs in calculating distribution loss factors.

QUESTION 4: ACCESS FRAMEWORK

4.1 Should all DCAs be required to have an access policy?

Mondo is inclined to the view that all DCAs should be required to have an access policy. This view is influenced by the need to ensure that as much as possible, all future developments of renewable generation, demand response and other services should have the opportunity to connect to the NEM, and that unnecessary barriers should be avoided. That said, Mondo also recognises that for some very small DCA networks, the burden of providing open access arrangements may impose a burden that prevents the DCA being developed in the first place. There is no doubt a point at which a DCA becomes of sufficient size that the costs of providing open access are balanced by the benefits of multiple connection, but identifying where that balance point is in advance would be difficult. Perhaps a suitable compromise would be to mandate open access for DCAs above a certain size, and then make it optional for DCAs below that threshold.

4.2 If not, what would be an appropriate threshold for the differentiation between DCAs that should have an access policy, and those that need not?

Answered above.

4.3 Is there any merit to an approach that would limit DCA access to one proponent?

Mondo would not support this approach as it would impose a barrier to entry for new developments.

QUESTION 5: TRANSITIONAL PROVISIONS AND OTHER ISSUES

5.1 Are AEMO's proposed transitional provisions appropriate? Would additional or alternative transitional provisions be required to address the issues identified in the rule change request?

Mondo is generally supportive of the transitional provisions included in AEMO's rule change request, as they seek to not apply retrospective changes to existing installations. If some of the suggestions included in this submission regarding loss factors and performance standards are taken up, there may be a need to consider transitional arrangements for if and how these should be rolled out for existing connections.

Mondo hopes that the comments contained in this submission are of assistance to the AEMC in its deliberations on this consultation. Please do not hesitate to contact either myself or Chris Deague on chris.deague@mondo.com.au, or phone 0417 549 583 if you have any further inquiries.

Yours sincerely



Margarida Pimentel

Manager Policy and Aggregation Services