

2 April 2020

Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Submitted by email to [aemc@aemc.gov.au](mailto:aemc@aemc.gov.au)

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### **Connection to Dedicated Connection Assets Consultation Paper**

Snowy Hydro Limited welcomes the opportunity to comment on matters raised in the Consultation Paper from the Australian Energy Market Commission (the Commission) on the Connection to Dedicated Connection Assets (DCA).

Snowy Hydro Limited is a producer, supplier, trader and retailer of energy in the National Electricity Market ('NEM') and a leading provider of risk management financial hedge contracts. We are an integrated energy company with more than 5,500 megawatts (MW) of generating capacity. We are one of Australia's largest renewable generators, the third largest generator by capacity and the fourth largest retailer in the NEM through our award-winning retail energy companies - Red Energy and Lumo Energy.

The NEM is transitioning, with existing generators retiring and an unprecedented level of generators seeking to connect to the grid over the next 10 years. Snowy Hydro understands that AEMO considers the DCA framework problematic, on the certainty and visibility in its operations, to only have one financially responsible market participant (FRMP) assigned to the connection point where the DCA connects to the shared transmission network in cases where there are multiple proponents connecting via the DCA.

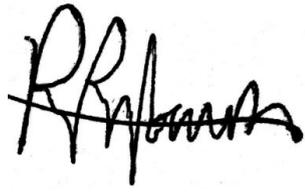
AEMO's proposal to create additional connection points at the point where each facility connects to a DCA, in addition to the existing DCA connection point should contribute to the achievement of the National Electricity Objective (NEO). Snowy Hydro supports this change from achieving a NEO objective with multiple users as it would increase transparency and regulatory certainty, efficient provision of electricity services and clear, singular accountability.

Should the Commission proceed with a rule change to address the issues raised by AEMO, then to avoid imposing unnecessary additional costs on consumers the rule should not apply to existing DCAs. The rule should clarify that if a market participant has an existing plan in the NEM that these plans are not altered.

If a market participant is an owner of an existing asset it would add unnecessary cost and complexity. While it is understandable for this to be implemented across multiple assets, when this is implemented across multiple assets and one user it becomes inefficient to retrofit all the assets. The Commission should consider exemptions to avoid unnecessary costs on business.

Snowy Hydro appreciates the opportunity to respond to the Consultation Paper and any questions about this submission should be addressed to [panos.priftakis@snowyhydro.com.au](mailto:panos.priftakis@snowyhydro.com.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P. Priftakis', with a horizontal line drawn through the middle of the letters.

Panos Priftakis  
Head of Wholesale Regulation  
Snowy Hydro

