

Australian Energy Market Commission
aemc@aemc.gov.au

28 January 2021

AEMC ERC0294 – Draft Rule: Connection to Dedicated Connection Assets Submission of Walcha Energy

Walcha Energy is the leading developer of wind energy in the southern portion of the New England Renewable Energy Zone in New South Wales. In the area south of Armidale and east of Tamworth we are working to deliver

- 3,940MW of wind energy including the project sold to Vestas
- 700MW of solar energy
- a large battery energy storage facility
- up to 1,500MW of pumped hydro energy storage/generation.

Walcha Energy is also negotiating to connect other developers in the area via shared grid assets bringing the total number of participating projects up to 12, connecting via 2 or 3 hubs. The first phase involves connections at the proposed Uralla Hub recognised in the ISP.

This draft rule change is directed towards solving the challenges faced by Walcha Energy and its collaborators in establishing planned hubs as connection points for multiple Generators.

Since 2017 the Rules have enabled formation of IUGs of multiple parties working together to fund IUSAs. But how could we manage the utilisation of the shared assets? We could try through agreements among the parties and by negotiating arrangements to manage metering with the Primary TNSP and AEMO.

As master planners of these arrangements on the Walcha plateau we were well aware of the challenge of finding a way to form agreements satisfying the parties and also the dispatch requirements of AEMO. Nested DCAs looked to be required. Furthermore the DCAs and IUSAs we are planning will be very material additions to the transmission system.

Could AEMO accept an IUG as if it were a single Generator connected at the main grid connection point with complex accountabilities behind the connection point? How would NER requirements be applied and compliance managed? What about power system security requirements? How would disconnection under contingencies be applied?

The strawman model explored the issues but could not resolve some of them satisfactorily.

The arrangements now proposed for boundary points to shared Dedicated Network Assets and single user connection DCAs clarify the picture. The proposal facilitates special access regimes and contestability is retained. However some areas of concern remain.

It makes sense for the Primary TNSP to operate the whole network, under Network Operating Agreements in the case of network beyond boundary points. But is it appropriate for maintenance, if it is charged to a DNA owner group or individual, to be non-contestable for the life of the connected facilities? Will maintenance be a negotiated service with the benefit of the dispute provisions of NER 5.5?

For contestable delivery of the network augmentations the Primary TNSP is to provide a functional specification, but this must set only minimum requirements. Funding bodies and participating parties must be free to exceed the specified requirements with a view to further connections or augmentation.

Where there is synergy between IUG Generators, as between wind and solar generation, will it be possible for an IUSA agreement to co-optimize curtailment rules to optimize energy delivered or some other criterion instead of being completely subject to dispatch according to locational marginal pricing?

With regard to access, will the special access regime enable the owning market participants to control access. They may have funded the shared asset with provision for their own planned future developments or future stages?

Walcha Energy endorses the DNA concept but retains some concerns and requests clarifications about aspects of the proposed implementation.

Yours faithfully,



MARK WARING
Director
WalchaEnergy Pty Limited

m 0407 812 053
e mark.waring@walchaenergy.com.au
www.walchaenergy.com.au