



EnergyAustralia

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Dear Mr Cavoli

Lodged via email: franc.cavoli@aemo.com.au

AEMO Victorian Generator Connection Framework, Issues Paper, November 2016

EnergyAustralia is one of Australia's largest energy companies with over 2.5 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market (NEM).

EnergyAustralia supports AEMO attempting to develop a more streamlined process for generation connection, in principle. We have some concerns we believe should be addressed in further developing the proposed Victorian Generator Connection Framework.

There needs to be some consideration of whether the benefits in having AEMO step back from the contractual negotiations involved in contestable network connections will outweigh the costs of the change. As well as the specific costs of developing the new framework and the regulatory process to implement change, there is also a risk of increased costs to participants where AEMO is not actively engaged in the process. That is, if AEMO is separated from the contractual process this may increase the risk of last minute variations to connection requirements by AEMO and increase costs and timeframes. While such changes can occur in the current process, these variations may be less predictable where AEMO is not as closely involved.

In developing this change to the current system AEMO must ensure each of the steps in the connection process is made clear, including any foreseen changes to the current process. Guidance as to who is contacted at the enquiry and application stage, when and how the agreements are finalised and other such procedural matters should be required by the proposed Rule change to clarify the process.

Where reasonable, consistency should be maintained for processes and outcomes whether shared network changes are driven by augmentation, customer connections and generators connections.

We would like further details on whether this proposed arrangement has any retrospective implications for existing agreements, or that such effects will be minimised under any change to the Rules. Clarity on transitional arrangements is necessary, particularly for connection processes, applications or enquiries that already underway prior to commencement of the new Rule.

We are keen to continue engaging with AEMO on the above issues. If you would like to discuss this submission, please contact me on (03) 8628 1393.

Regards

Chris Streets

Industry Regulation Lead