

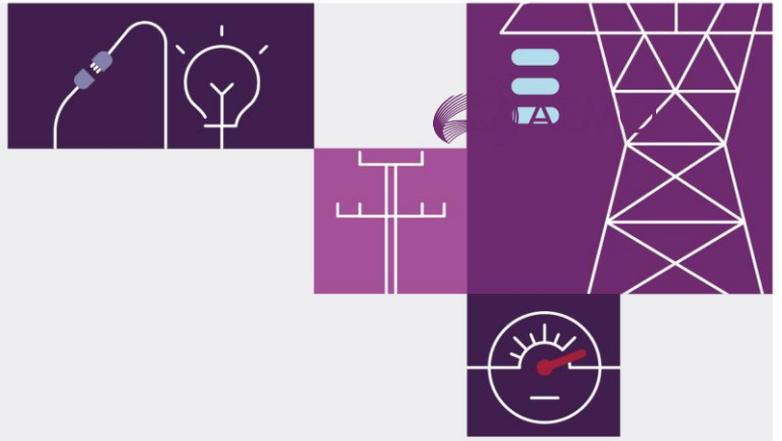
Generator Connection Application Fees

FY 2024-25

Updated: July 2024

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and Connections





Important notice

Purpose

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1 Introduction

This document explains the roles AEMO performs in relation to all network connection applications, and the charges AEMO applies to assess these applications, including alterations to existing generating systems.

2 AEMO's connection responsibilities

As system and market operator for the National Electricity Market (NEM), AEMO performs an advisory role in assessing and negotiating performance standards that can affect power system security and stability. AEMO is also involved in assessing simulation models of power system plant and associated control systems, as well as commissioning and post-commissioning activities. This is the case for all connections in the NEM (inside and outside Victoria), across both transmission and distribution networks. AEMO is also responsible for approving the registration of connecting plant into the NEM.

In Victoria, AEMO has a special role, performing many of the responsibilities carried out in other states by the connecting transmission network service provider (TNSP). AEMO's Victorian Planning and Connections team receives and assesses enquiries and applications to connect to the transmission network in Victoria (referred to as the Declared Shared Network [DSN] in the National Electricity Law [NEL]) and liaises with the proponent and AEMO (in its advisory role) on the connection application from submission to registration and commissioning of the plant.

3 Factors that impact connection costs

AEMO's overall costs in carrying out its connection-related obligations under [Chapter 5 of the NER](#) are impacted by a range of factors, including:

- the location of the connection point and complexity of proposed generating system
- whether the connection is to the transmission network or a distribution network
- the size of the proposed generating system
- whether it is a new connection or an alteration to an existing generating system
- whether the proposed generating system is connecting to a weak part of the network
- the quality and accuracy of the information submitted and the number of iterations required to assess the application
- the contestability process if network augmentation works are required for a connection
- the extent of commercial negotiations required with the DTSO and the Proponent.

4 AEMO's fees and charges

Different roles are required throughout the connection assessment process. Rates for these roles reflect both direct (e.g. labour) and indirect (e.g. management, legal, digital, training and travel) costs. Fees are charged on a time and material basis and invoiced monthly.

The rates below are effective from 1 July 2024 and are applicable in both AEMO's advisory role for transmission and distribution connections across all NEM regions, and in AEMO's Victorian Planning and Connections role managing the DSN connection process.

Table 1 Rates effective 1 July 2024

Description	\$ rate per hour (excl. GST)
Office intern	\$295
Analyst/ Engineer	\$345
Senior	\$380
Principal	\$425
Managers, Specialists	\$495
Third party labour (AEMO may need to engage contractors or consultants or seek specialist advice (e.g. legal advice) in relation to an assessment.)	Cost + 15%
Site visits ¹	Rate per hour (+ 15% for third-party labour) including travel time, and travel expenses.
Connections Reform Initiative (CRI) uplift ²	\$30
Connection enquiry fee (Victoria only)	\$18,000

¹ AEMO may witness such tests in accordance with clause 5.8.5(a) of the NER and is entitled to be reimbursed for staff time and out-of-pocket expenses associated with this, such as travel and accommodation

² AEMO and the Clean Energy Council established the Connections Reform Initiative (CRI) to address concerns with delays and increasing complexity in connections to the NEM. To recover costs for dedicated work undertaken for the CRI, a \$30/hour uplift will be applied to AEMO Onboarding and Connections (AEMO advisory function) charges. This uplift is not applied to activities undertaken in Victoria as the connecting TNSP.

4.1 Connection enquiry fee

From 1 July 2024, transmission connection enquiries in Victoria also incur a fixed fee of \$18,000, payable at lodgement of the Connection Enquiry and required to initiate the assessment process.

4.2 Registration fees

Market registration fees are separate from connection enquiry and assessment fees. Market registration fees are reviewed annually and are based on the time required for AEMO's employees to complete the registration or any amendment to existing registration conditions.

Third party costs incurred by AEMO in the process of registering a participant are included within the market registration fee.

A list of market registration fees is included in AEMO's [FY25 Budget and Fees](#).