19th August 2021

Mr Robert Millar
Project Lead (Rule Change ERC0256)
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Re: Draft Determination – Generator registrations and connections

Dear Mr Millar,

Thank you to the Commission for considering my proposed rule change to improve connection processes for generators with nameplate capacity between 5-30 MW who intend to be exempt from the requirement to register as a generator.

I note the Commission has elected to make a more preferable rule in this instance, with a focus on improving the transparency of AEMO's registration and exemption process – which I support.

However, there are some comments or items I wish the Commission to consider as part of the Final Determination which follow.

1 – Direct application of AEMO's Access Standard Assessment Guide

I do not support the general approach taken by the Commission, which appears to be to copy (in part) AEMO's Access Standard Assessment Guide and directly apply it to the NER ***without*** further scrutiny (for example, confirm such an addition would benefit the NEO), for example:

- The basis for why Schedule 5.2 in its entirety should apply for all generating systems >5 MW, including those exempt by AEMO from the requirement to register, does not appear to have been tested to confirm it will contribute to the NEO in the Draft Determination. Though it has been included in the draft rule [15] (revised S5.2.1(b)).
    - As an engineer, it appears generally unnecessary to mandate the same technical obligations for a 5.5 MW solar farm behind-the-meter with an industrial load and 55 MW standalone solar farm. However, this would be mandated by a direct application of Schedule 5.2 in this sense. The negotiated performance standard framework does not allow deviation from Schedule 5.2 for smaller generators despite often unnecessary obligations (i.e. being a small generator does not mean automatic access standards can be ignored)
    - In my project experience (for exempt generators 5-30 MW) typically only the good will of the NSP and AEMO to make reasonable engineering allowances (which is greatly appreciated) with the connecting generator helps avoid large and unnecessary capital investments (if required to comply with all automatic access standards). These costs would typically be passed on to end consumers of electricity. How can such an arrangement which enforces S5.2 technical standards possibly be in line with the NEO?
- The inclusion of the statement "*intended for a use in a manner the NSP considers is unlikely to cause a material degradation in the quality of supply to other Network Users*" was added in the draft rule [15] (revised S5.2.1(b)) and also does not appear to have been tested to confirm it will contribute to the NEO.
    - I couldn't find any discussion in the Draft Determination as to how this process (now formalised in the NER) is to be completed by an NSP, nor what the basis for making such a judgment (technical or otherwise). I believe it is ambiguous and unsuitable for inclusion in the Rules.

Regarding the above, it appears the Commission has applied 'current industry practice' which I don't necessarily disagree with – however I believe this doesn't absolve the requirement to confirm the current practice does align with the NEO when they are being introduced into the NER. As an example, the basis of my original rule change clearly demonstrates the 'current industry practice' doesn't align with the NEO.

2 – The definition of 'minor or administrative amendments'

With reference to the draft rule [1] 2.13(d), I request the Commission provide further detail in the Final Determination to describe what is a '*minor or administrative amendment*' and how a concerned party could challenge such an unopposed amendment.

- Note I am not calling into question AEMO or any parties' intentions, but I am a strong supporter of minimising barriers for entry for new generation participants and that includes trying to minimise changes to critical processes, such as registration (or exemption thereof) requirements changing during the execution of a 5-30 MW generator project.
- Furthermore, I believe (if not already included in the Rules consultation procedures) there should be minimum transitional periods and grandfathering arrangements such to not disrupt in-progress or existing generator projects whenever the new Registration guidelines are changed.

In general, I do not support the approach of skipping procedure for something as subjective as a '*minor or administrative amendment*' unless otherwise defined, however greatly appreciate the Commission's approach to improve the transparency of this key generator connection & registration procedure.

3 – Ability in draft rule 11.[XXX].3(b) to revoke a grandfathered exemption

- With reference to the draft rule 11.[XXX].3(b) I strongly disagree with the statement which appears to allow the amendment or revoking of an existing exemption in accordance with the 'new rules.' This, by my reading, is not a grandfathered arrangement. I strongly encourage the Commission to remove this proposed new clause prior to publication of the final rule – or at minimum provide a discussion as to how this arrangement benefits the NEO.
- Furthermore, I request the Commission extend the grandfathering arrangement (albeit with removal of 11.[XXX].3(b)) to extend to performance standards for existing 5-30 MW exempt generators who (due to ambiguity in prior arrangements / NER revisions) have been connected under Chapter 5A. Assuming no modifications to the generating system, this will allow these generators to retain their existing connection agreements and performance standards (i.e. performance standards agreed which are tied to exemptions from the requirement to register are grandfathered). These generators should not be penalised due to previous ambiguity in the Rules.

4 – Other minor comments

Further to my points above, a few additional items I'd encourage the Commission to review are below.

- The draft rule [10] 5.1.2(d) row 9 appears to omit text unrelated to what is being replaced? Row 9 currently describes prescribed transmission services or negotiated transmission services? Can the Commission please clarify this in the Final Determination.
- The draft rule [11] 5.3.1(b) addition is ambiguous. What is the intention of the additional text *", or required by the Rules,"*?
- The draft rule [15] S5.2.1(b)(1) implies that S5.2 no longer applies once a generator 5-30 MW receives an exemption from the requirement to register as a generator. Is this the Commission's intention?
- The Commission appears to have merged the energy conversion model requirements into the proposed new registration guidelines (see draft rule [1] & [16]) though I cannot identify any such basis for this approach in the Draft Determination? Can the contents of the proposed new Registration guidelines be clarified.
- Refer to C.4.2 of the Draft Determination (page 38 / 46 of the PDF) the AEMC acknowledges that some NSPs are requiring generators less than 5MW to comply with some of the S5.2 performance standards, however there is no such arrangement in the NER to enable such an application for a Chapter 5A generator?

I'd be happy to discuss my experience and opinions on the above points with the Commission.

Kind Regards,

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