

6 September 2019

Suzanne Falvi  
Executive General Manager  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235



Dear Ms Falvi,

### **Submission to Transparency of New Projects draft determination**

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon people who are marginalised and facing disadvantage. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC welcomes the opportunity to respond to the AEMC's draft determination.

### **New generation for the NEM**

The National Energy Market (NEM) is in the middle of a transformation from an energy system relying primarily on centralised, fossil-fuel generation with passive demand, to one with a low- or zero-emission generation fleet interacting with more sophisticated and active demand-side behaviour.

Over the decades we have seen a material increase in new generation projects seeking to connect to the NEM. However, the current regulatory framework is better suited to incremental investment in energy infrastructure rather than delivering more strategic investments and plans such as the coordinated connection of multiple generators.

Being able to exploit economies of scale by coordinating new generation and any consequential network or system investments is in the long-term interests of consumers through delivering lower costs overall and accelerating decarbonisation while de-risking the transition to a low- or zero-emissions future.

### **Draft determination overall**

Overall, PIAC supports the AEMC's draft determination. We consider it helps to improve the quality (and not just quantity) of information available to connecting parties, AEMO, network businesses and other market participants while balancing the burden on affected parties.

We note that improving the available information will also be useful for other stakeholders such as governments and research organisations.

### **Intending participant**

PIAC supports expanding the current eligibility for Intending Participants to allow developers to register under this category and gain access to relevant

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technical information (subject to appropriate confidentiality obligations) for necessary studies and modelling.

### **AEMO's Generator Information Page**

PIAC supports formally recognising AEMO's Generator Information Page in the Rules to help provide greater certainty and stability of information both to the market and to AEMO. It provides value as a single point of reference for parties to use in modelling future power system configurations. We also support the proposed obligations on the TNSP and connection applicants to provide information to keep the generator information page up to date.

### **Publication of key connection information on new projects**

PIAC supports the key connection information to be provided on each new connection project. Further, we support the obligation to publish this information applying from the connection enquiry stage.

We acknowledge some details may change between the connection enquiry stage and the application or grid connection stages and, indeed, some projects may not proceed beyond the enquiry stage at all. Nonetheless, we consider this is an appropriate stage for projects to be included in the generator information page to aid transparency of the connection pipeline – especially as the relative stage of each connection project can be discerned from the generator information page.

### **It is unlikely for generators to be able to coordinate their connection**

As we noted in our submission to the consultation paper, the provision of information alone is unlikely to drive greater coordination of connections between generators.<sup>1</sup> Instead, we consider broader reforms such as those being pursued through the Coordination of Generation and Transmission Investment process are needed to align the incentives for individual connecting generators with the system-wide optimal outcomes and capture the economies of scale and scope. Nevertheless, PIAC considers the draft determination is a positive step in enabling this to occur.

### **Continued engagement**

PIAC would welcome the opportunity to meet with the AEMC and other stakeholders to discuss these issues in more depth.

Yours sincerely,

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<sup>1</sup> This is because generators are rivals in a competitive wholesale market and therefore they are unwilling or unable to share details with respect to financing, forecasting and other commercially sensitive information. They do not and cannot voluntarily co-ordinate to undertake joint investments in transmission capacity.