

# Consultation on Transparency of New Projects

## AEMC invites submissions on consultation paper

The Australian Energy Market Commission (AEMC or Commission) has commenced consultation on three rule change requests which seek to increase transparency of new generators connecting to the system. The Commission has consolidated these three rule change requests into one request. Submissions close on 23 May 2019.

### Background

There are significant changes underway in the National Electricity Market (NEM) with the increasing penetration of renewable generation (such as wind and solar) a key trend. Transmission Network Service Providers (TNSPs) are receiving an unprecedented volume of generation connection enquiries with 50GW of proposed (mainly renewable) projects in various stages of development; roughly equivalent to current capacity in the NEM.<sup>1</sup>

Changing market dynamics have also given rise to new business models, with developers now commonly building and selling generation assets prior to connecting them to the grid.

#### Overview of the rule change request

The Commission has received three rule changes requests which relate to the transparency of new projects in the NEM.

- On 15 December 2018 the Australian Energy Council (AEC) submitted a rule change request to the Commission seeking to increase the transparency of new projects and improve information provision in the NEM.<sup>2</sup> The request has four key elements:
  - Codifying AEMO's generation information page in the National Electricity Rules (NER).
  - Imposing a requirement on intending participants<sup>3</sup> to notify AEMO of any change to the information they provided during the intending participant registration process (for example, when the nature of their projects change).
  - Broad reforms to the intending participant category (for example, requiring new project developers to register as an intending participant), consistent with the proposals made by AEMO (discussed below).
  - Changes to assist AEMO in disclosing confidential information, where that information has subsequently reached the public domain.
- On 31 December 2018 the Australian Energy Market Operator (AEMO) submitted a rule change request seeking to allow a developer to register as an intending participant for the purposes of building a grid-scale generating system or an industrial development (e.g. a load), despite such a person never intending to register as market participant.<sup>4</sup>
- On 15 March 2019 Energy Networks Australia submitted a rule change request seeking to

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<sup>&</sup>lt;sup>1</sup> AEMO, 2018 ESOO, September 2018

<sup>&</sup>lt;sup>2</sup> This rule change request is available on the AEMC website under project code ERC0257. See: https://www.aemc.gov.au/rule-changes/transparency-new-projects

<sup>&</sup>lt;sup>3</sup> Intending participants are a class of registered participants. Entities may register as intending participants if they intend to participate in a registered category (e.g. generator) in the future.

<sup>&</sup>lt;sup>4</sup> This rule change request is available on the AEMC website under project code ERC0260. See: https://www.aemc.gov.au/rule-changes/nem-information-project-developers

explicitly allow TNSPs to publish certain information<sup>5</sup> they have received from connection applicants regarding new and proposed connections.<sup>6</sup>

The Commission has consolidated these three rule change requests in accordance with s.93 of the National Electricity Law (NEL) to best address the overlapping issues and facilitate efficient stakeholder engagement.

#### **Issues for Consideration**

A range of issues have been set out in the consultation paper for the purpose of seeking stakeholder feedback, including:

- the ability for developers to access information needed to design and build a generating system or large load
- the visibility of new generator connections and the role of TNSPs in coordinating connections and facilitating information transfers
- improvements to AEMO's generation information page
- confidentiality considerations around new project information (and whether this information is commercially sensitive).

Stakeholders are encouraged to comment on these issues as well as any other aspect of the rule change requests or the consultation paper, including the proposed assessment framework set out in the consultation paper.

#### **Next steps**

This consolidated rule change request will proceed according to the standard rule making timeline.

Table 1: Project timeline	
MILESTONE	DATE
Submissions to consultation paper close	23 May 2019
Draft determination and draft rule published	1 August 2019
Submissions to draft determination close	12 September 2019
Final determination and final rule published	24 October 2019

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<sup>&</sup>lt;sup>5</sup> This project information would include: proponent name, size, location, estimated completion date, primary technology and broad function.

<sup>&</sup>lt;sup>6</sup> This rule change request is available on the AEMC website under project code ERC0268. See: https://www.aemc.gov.au/rule-changes/tnsp-exemptions-confidentiality-requirements