



# INFORMATION

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## Transparency of new projects

Draft determination published for transparency of new projects

**The Australian Energy Market Commission (AEMC) has released a draft rule to promote a two-way flow of information by allowing AEMO to send system information to different types of developers, while enabling key information about new projects to be shared with AEMO, and published on its website. The draft rule will give market participants better and more up-to-date information about what generation projects are in the pipeline, which will help businesses make better investment decisions.**

### Context

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>

While there is a significant amount of transparent information about generators once they have connected to the grid, there is currently limited information available to market participants about prospective generators that are yet to sign connection agreements. The smooth entry of these new generators relies on developers having up-to-date information about where and when their competitors are proposing to locate new generation.

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 draft determination

The Commission's draft rule:

- Facilitates greater access to relevant system information for developers that sell grid-scale assets prior to connection, while recognising that existing NER arrangements already enable certain types of developers, to register as intending participants and, as a result, access information available to registered participants. The draft rule will also make more information about new projects more readily available.
- Codifies AEMO's generator information page in the NER, which is an information resource that will provide a source of regularly updated data for registered participants and other interested persons on existing and proposed connections to the national grid.
- Requires TNSPs to share key connection information about new projects with AEMO. AEMO must then publish this data on the generator information page, increasing the visibility of proposed connections.

The draft rule provides better and more up-to-date information about what generation projects are in the pipeline, making it easier and quicker for developers to assess the viability of proposed projects, as the energy market transitions. The draft rule means market participants are better informed, and therefore may make more efficient decisions on where to invest in new generation, which could ultimately benefit consumers by promoting reliable supply at lower costs.

<sup>1</sup> AEMO, 2018 ES00, September 2018

## Implementation

Key dates for the implementation of the proposed rule:

- From **31 October 2019**: Developers will be able to access relevant system information under new arrangements.
- By **27 February 2020**: AEMO will be required to publish its generator information page. This time frame allows AEMO time to publish guidelines that set out the content of the generator information page and how it will be updated. TNSPs will have at least two weeks to process AEMO's guidelines before being required to comply with their new information sharing obligations.

## Next steps

The AEMC invites submissions on the draft rule determination by **12 September 2019**.

The final determination will be published on **24 October 2019**.

## Background — rule change requests

The draft rule is made in response to three rule change requests:

- The Australian Energy Council sought to improve information provision in the NEM by codifying AEMO's generation information page in the NER, reforming the intending participant category and clarifying the rules around disclosing confidential information.
- AEMO sought to allow developers that sell a grid-scale resource prior to connection to register as intending participants, giving these developers access to important system data.
- Energy Networks Australia sought to allow TNSPs to publish certain project information they have received from connection applicants.

The AEMC consolidated the three rule change requests at the commencement of the rule making process, to best address the overlapping issues and facilitate efficient stakeholder engagement.

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