

9 September 2019

The Commissioners  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Sent to: AEMC by online lodgement

Dear Commissioners

**Transparency of New Projects  
Draft Decision  
ERC 0257**

Major Energy Users Inc (MEU) is pleased to provide its thoughts on the issues raised in the Draft Decision on the proposed rule for greater transparency for new generation projects.

Overall, the MEU considers that the draft decision is a significant and positive step forward in that better coordination of intending generation connections will provide a better outcome for consumers through the optimum sizing of transmission assets that consumers are required to pay for.

However, the MEU has one over-riding concern about the draft rule as written – in a number of locations the draft determination makes reference to “large loads” also being subject to some of the requirements for intending new generation. For example, the AEMC advises that the draft rule:

“...requires TNSPs to share with AEMO the following key connection information, relating to grid scale generators **and loads**, received from connection enquiries and applications:

- name of proponent of connection
- type and technology of plant
- site location
- maximum power generation or demand of whole plant
- forecast completion date of the proposed connection.” (emphasis added)

The MEU notes that the AEMO proposal for provision of this additional information would appear to be targeted at new generation, and has apparently just added that they want the same information from intending new loads without understanding the repercussions of their request.

The MEU accepts that, so AEMO can carry out its tasks (such as in relation to the ISP and general transmission network augmentation) there should be a requirement for TNSPs to share details with AEMO of proposed increased demands at specific locations in the transmission network and the likely time any increased demand will occur. However, **the MEU has a strong objection to more detail than this being provided to AEMO, and objects even more strongly for anything more being published by AEMO.**

The MEU does not see that AEMO needs any more detail than potential increased demand and timing at a specific point in the transmission network for it to perform its duties. The MEU does not consider that provision of the name of proponents for the increased load, details of the proposed plant, specific geographic locations or maximum power demand for each applicant for a new connection provides AEMO with any better ability to carry out its tasks than the mere provision of an expected increase in demand at a point in the transmission system<sup>1</sup>.

As a general observation, the MEU points out that end users do not want to be part of the electricity market as such, because they have their own markets to devote their attention to. While end users do get involved with the electricity market, it is only because this is one way of reducing the extraordinarily high costs for electricity they face. Given the option, end users would prefer just to receive electricity as and when they need it and not have to worry about the problems associated with the how the electricity market operates or how end users might better interface with it. So while end users (especially large users of electricity) do get involved with electricity market issues, it is not by desire but more through necessity.

What end users do know is that they all operate in their own strongly competitive markets and their competitors try desperately to find out what their future plans are so they are aware of any changes in **their own markets** in order to manage these changes. Just stating that a firm is seeking a new or expanded connection, indicates that the firm is planning an augmentation to its existing operations. If a competitor is aware that another firm is proposing a new plant (particularly when notified by type and technology and location), this erodes the competitive advantage the firm might achieve if that information was not available. In particular, knowledge of the peak demand the new load might be contemplating provides information to deduce the size and capacity of the new facility.

So publishing the name of an end user looking to connect to the grid, where and what the peak demand is provides competitors with a considerable insight as to what an end user might be planning. Such useful information can lead to the loss of any competitive advantage that might have existed for the proponent.

The MEU does recognise that knowing that at a particular substation might see increased demand or have to increase in size is useful information to the electricity

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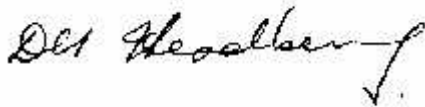
<sup>1</sup> The MEU sees that this information might be provided to a TNSP from either an end user intending to connect to the transmission system or from a distribution network service provider providing advice of an expected increased demand at a transmission substation.

market. The MEU considers that publishing more information along the lines proposed in the draft decision adds nothing to the electricity market but will be extremely injurious to firms operating in other markets.

With this in mind, the MEU opposes any requirement that AEMO should receive or publish any information it gets from TNSPs about potential new connections of loads, other than the potential increase in demand a TNSP might be expecting at a specific point in the transmission network.

The MEU is happy to discuss the issues further with you if needed or if you feel that any expansion on the above comments is necessary. If so, please contact the undersigned at [davidheadberry@bigpond.com](mailto:davidheadberry@bigpond.com) or (03) 5962 3225

Yours faithfully

A handwritten signature in black ink, appearing to read "David Headberry", with a checkmark at the end of the line.

David Headberry  
Public Officer