



## **Dedicated Connection Assets – Rule Change Request Section 108A (NEL) Section 108A Notice**

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### **Purpose**

The Commission is required under section 108A of the National Electricity Law (NEL) to publicly report on rules not made within 12 months of the publication of the notification of the commencement of the rule change process.

### **Background**

On 3 January 2020, the Commission received a rule change request from AEMO seeking to clarify application of key NER requirements where multiple proponents connect to the same dedicated connection asset (DCA). In AEMO's view's, the existing DCA framework works where a single proponent connects via a DCA but creates ambiguity where multiple proponents connect to the same DCA. AEMO's rule change request seeks to establish an individual transmission network connection point (TNCP) for each facility connected to a DCA, while preserving the original policy intent of the DCA framework.

The s. 95 notice was published on 5 March 2020, together with a consultation paper which formally commenced the rule change process.

### **Reason for the final rule determination not being made within 12 months**

Under s.107 the time for making a draft rule determination was extended twice. The time for making a final rule determination has been extended until 8 July 2021. The final rule determination has not been made within 12 months of the publication of the notice under s. 95 of the NEL because:

- Detailed and complex nature of issues raised by the rule change request: To ensure application of key NER requirements at individual TNCPs on a DCA as proposed by AEMO, significant changes are necessary for the existing regulatory framework. As DCAs are 'connection assets' and not 'transmission network', the establishment of TNCPs for each connecting party requires changes in the regulatory treatment of these assets and the underlying contestability arrangements.
- Scope of the rule change request expanded significantly: Sufficient time was required to draft the amendments to Chapters 2, 3, 4, 5, 6A, 7, 8 and 10 of the NER.

The extended timeframe also enabled the Commission to consult extensively with stakeholders on the issues raised in the rule change request, specifically to:

- hold two stakeholder webinars (7 July 2020 and 6 October 2020) on the rule change request and proposed policy
- hold numerous other bilateral meetings on aspects of the rule change request.

A draft rule determination was published under section 99 of the NEL on 26 November 2020.

Stakeholder submissions on the draft rule determination asked the Commission to provide further clarification on certain aspects of the draft rule, in particular the third party access framework and cost sharing arrangements, contestability arrangements based on the 30km threshold, issues related to the 'boundary point' and grandfathering provisions for large DCAs. The Commission will use the additional time to address outstanding issues by undertaking further analysis and targeted stakeholder consultation.

### **Expected time for making final rule determination**

The Commission is scheduled to make a final rule determination on the Dedicated Connection Assets rule change request on 8 July 2021.