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Ashok Kaniyal
Australian Energy Market Commission

Submitted online

Dear Mr Kaniyal

RE Consultation Paper – Enhancing Investment Certainty in the R1 Process

TasNetworks appreciates the opportunity to make a submission in response to the Australian Energy Market Commission's (**AEMC's**) consultation paper on Enhancing Investment Certainty in the R1 Process.

TasNetworks is the Transmission Network Service Provider (**TNSP**), Distribution Network Service Provider (**DNSP**) and Jurisdictional Planner in Tasmania and is supportive of any improvements to the current connection process that bring about efficiencies that flow through to end customers.

TasNetworks has contributed to and supports Energy Networks Australia's (**ENA's**) submission and provides the following comments from a Tasmanian perspective and proposes an alternative solution for the AEMC's consideration.

Delays in the ability to deliver projects do increase costs for customers and TasNetworks is fully supportive of removing impediments to generators being connected. To reduce any delays the underlying causes need to be identified and the means to address these found. TasNetworks considers the proposed rule changes do not address the true causes and could lead to unintended consequences, including legal challenges, which may increase delays in the connection process.

The predominant issues delaying generator connections in Tasmania have been issues with finding appropriately qualified people to design and run models, and the incidence of proponents agreeing to potentially unattainable generator performance standards (**GPS**). We are concerned this may be occurring so a project can be sold as 'a going concern', however it leaves the new owners with the challenge of procuring equipment and designing the facility so that it will meet the GPS and lead to a successful R1 Process.

TasNetworks is concerned with the proposal of using five situation types to determine the process post R1. There will inevitably be disagreements on the type chosen which will take

resources to resolve and potentially result in legal challenges; all of which will delay the process.

The current rule change proposal would result in transfer of risks to Network Service Providers (**NSPs**) / customers by transferring the onus of proof for the materiality of non-conformance to NSPs and ultimately customers. Broadly speaking, risks should be managed by the party best able to. In the situation of connecting a generator to the network, the party best placed to manage the risk is the connecting party. They are in control of the choice and procurement of equipment and they are best placed to understand the risks in that process. Therefore they can ensure the agreed GPS has some headroom/contingency so when procurement and layout issues are resolved the GPS can still be met. This process could be made easier for proponents if equipment can be type tested providing greater assurance to the proponent if they choose pre-approved equipment.

One way the process could be streamlined is to adopt a different approach to testing by using a "standardisation" method. Essentially each manufacturer's generating unit or inverter would be rigorously Type Tested, using generic tests akin to AEMO's Dynamic Model Acceptance Test (**DMAT**) tool. Instead of the focus being on the "acceptability" of the model the test would focus on the "performance" of the equipment through a set of pass and fail criteria. In practice the Type Tests would set a performance bar that would be high enough to permit connection at most transmission locations and therefore reduce the overall study workload for proponents, NSPs and AEMO. Currently there is repeated testing of the same equipment designs multiple times for different connection locations. The need for Full Impact Assessment (**FIA**) (wide area modelling) would remain as a final check or "safety net" to pick up the occasional extreme issues rather than, as now, being used as an iterative tool used to make design adjustments in a business-as-usual operation.

Ultimately what this would mean is that a "Standard" type-tested solution would be tuned for good performance under lower system strengths with NSPs/AEMO accepting some areas of different performance on strong systems. TasNetworks can provide further clarity to the proposal if required.

For more information or to discuss this submission, please contact TasNetworks' Technical Regulation Specialist, Tim Astley, at tim.astley@tasnetworks.com.au.

Yours sincerely

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Head of Regulation