



18 April 2024
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Submitted electronically

RE: ERC0363 Enhancing the R1 Process – Draft Determination

About Shell Energy in Australia

Shell Energy is Shell's renewables and energy solutions business in Australia, helping its customers to decarbonise and reduce their environmental footprint. Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers, while our residential energy retailing business Powershop, acquired in 2022, serves households and small business customers in Australia.

As the second largest electricity provider to commercial and industrial businesses in Australia¹, Shell Energy offers integrated solutions and market-leading² customer satisfaction, built on industry expertise and personalised relationships. The company's generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120-megawatt Gangarri solar energy development in Queensland. Shell Energy also operates the 60MW Riverina Storage System 1 in NSW. Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website [here](#).

General Comments

Shell Energy is supportive of the proposed rule changes as outlined in the Commission's draft determination. We believe that allowing generators to request a written justification from an NSP when it, or AEMO, requests additional information will help inform the design process and will lead to improved outcomes. Transparency during the connection process is critical to ensuring that all parties are aligned and working efficiently to ensure that the grid remains reliable and secure.

We also support the approach taken to NER clause 5.3.4A(b)(1A) which removes the 'no less onerous' requirement from generator performance standard renegotiations during the R1 phase. We agree that the removal of the 'no less onerous' requirement should encourage the application of engineering judgement. We note that there is a risk that the current 'no less onerous' requirement remains the standard due to organisational inertia but note that ongoing work by AEMO on access standards is seeking to bring greater clarity and certainty to connection requirements.

Shell Energy also supports the proposed changes to notification timeframe requirements. Greater certainty in this area is welcome to ensure that project timelines are not disrupted in an unpredictable way.

¹By load, based on Shell Energy analysis of publicly available data.

² Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2021.

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We note that the issues of information asymmetry, transparency, certainty, and clarity of scheduling raised in the rule change request have not been fully addressed by the draft determination. Shell Energy is of the view that additional changes will be required to address these existing impediments in the connection process. However, many of the necessary changes fall outside the direct purview of the National Electricity Rules and are best targeted by the guidelines and procedures. For this reason, we support the work being undertaken in these areas via the connections reform initiative. Shell Energy looks forward to continuing to work with market bodies, market participants and other stakeholders to address inefficiencies in the connection process.

Should you have any questions about this submission, please contact Peter Wormald (peter.wormald@shellenergy.com.au).

Yours sincerely,

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