



6 June 2024

Australian Energy Market Commission

Submitted via AEMC website: <https://www.aemc.gov.au/market-reviews-advice/transmission-access-reform>

AEMC Transmission access reform team,

**Transmission access reform – consultation submission**

We refer to the consultation paper published on the AEMC website, and the presentation made to Clean Energy Council members on 23 May 2024.

TotalEnergies Renewables Australia is a subsidiary of TotalEnergies. TotalEnergies is a global integrated energy company that produces and markets energy: oil and biofuels, natural gas and green gases, renewable energy and electricity. TotalEnergies Renewables Australia is a team of approximately 35 people across Australia focussing on developing, financing, constructing and operating renewable energy assets.

TotalEnergies Renewables Australia operate the 200 MW Kiamal Solar Farm and 190 MVA Kiamal synchronous condenser located near Ouyen, Victoria. Compared to the rest of the State, the north-west of Victoria is an excellent location in terms of solar resource. This location is also an area of relatively high curtailment, and we therefore appreciate the opportunity to engage in reforms around transmission access and congestion relief.

**Congestion Relief Market (CRM)**

The fundamental concept of who would participate in this market is not clear to us. Referring to item 38 on page vi of the consultation paper, it is stated that “Prospective buyers would generally be high cost and high emission generators behind a constraint...”. We do not agree that high emissions generators would be active in the CRM. From our experience and market knowledge, we see that congestion occurs mostly between renewable generation connected in areas of the grid with strong wind or solar resource but with low transmission capacity.

Congestion or curtailment is a very complex area. We do not believe that this necessitates complex solutions. Predicting the level of curtailment has become an input into the business case when determining the viability of new projects. We do not have confidence that the CRM would improve the economics of new projects or existing assets. Even if curtailment was reduced, it would come at a cost. Fundamentally, we don’t see how paying another generator to constrain themselves to allow us to generate would improve our economics. The CRM would have to make efficiency improvements somehow, and to an extent that outweighs the cost of implementation. We do not believe this would be the case.

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Batteries are a simpler way for a generator to address curtailment. The business case for batteries is improving as costs come down. We urge the AEMC to focus on making tangible improvements to the connection process to make it easier to add batteries to existing assets, rather than progressing with the CRM.

### **Priority Access**

We understand that there is a difficult balance between protecting existing assets and encouraging new development. Our understanding of the main driver of access reform aligns with the first point under the heading of priority access in the AEMC's consultation paper where it is stated "The introduction of priority access seeks to address the issue of cannibalisation, by introducing a mechanism where generators are assigned a priority level in the energy market. Cannibalisation is when a new generator locates in a congested area and displaces (or cannibalises) the dispatch of an existing generator..."

The principle of setting priority levels and allowing generators to have 10 different market floor prices does address the main driver for access reform. However, we urge the AEMC to consider these two points if progressing this work:

- Finding the appropriate level of market floor may not be possible to adequately protect existing generators whilst encouraging new developments.
- We are not convinced that REZ generators should be fast-tracked to the highest level of priority. Without controlled access within a REZ, the initial issue of cannibalisation may still occur. REZ policy varies significantly between the States and we have not yet seen any new REZ infrastructure actually delivered. No new generation have been awarded REZ access rights and then been constructed. Therefore, the AEMC should be cautious to push generation into REZs and deter investment outside of REZs until there is greater certainty that there would be a positive outcome to the energy transition.

If you have any questions on this submission, please feel free to contact Trevor Lim or Louise England via [trevor.lim@totalenergies.com](mailto:trevor.lim@totalenergies.com) or [louise.england@totalenergies.com](mailto:louise.england@totalenergies.com).

Yours sincerely,



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**Submitted on behalf of TotalEnergies Renewables Australia Pty Ltd**