



October 13th, 2014

John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235
Lodged Electronically

Dear Mr Pierce,

RE: ERC0158 Connecting embedded generators under Chapter 5A, Draft Determination

We would like to thank you for the opportunity to contribute to this process and thanks the Commission for efforts so far on this rule change.

Neoen Australia is a leading International Independent Power Producer specialising in renewable energy including solar, wind and biomass. We are currently developing 120MW of Solar Projects in New South Wales and have recently taken over the Hornsdale Wind Farm, a 270MW project in South Australia.

Our experience is that the grid connection process is challenging. It only provides little guidance on how we should streamline our processes to achieve better outcomes. More importantly we do not feel that our built experience with the connection process necessarily translates to improvements in our business operations. Almost every connection is individual with differing challenges, and differing elements of risk presented by the negotiating process.

This frustrating situation has led us to firmly believe that the rules around the connection process require reform. As a CEC member we support that submission to this consultation. In particular we believe that the standardisation of connection processes to the greatest degree possible will be critical to achieving the most efficient outcomes for our business and our customers.

The monopoly position of networks creates absolutely no incentive to maximise the efficiency of the connection process through standardisation or negotiations. A rules-based approach is absolutely required to achieve this outcome. The rewards from the CEC's proposed changes for the generation sector will be significant, while it is difficult to see where the costs or risks that networks face occur.

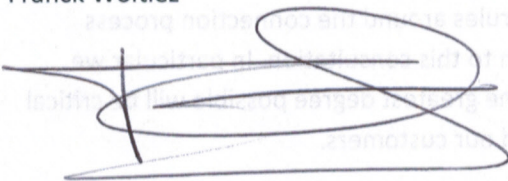
While we support the Commission's proposed changes we do not believe that they go far enough to resolve the problems as we have experienced from the application of Chapter 5A. So we also support the detailed recommendations set out in the CEC's submission, including

- Reinforcing the capacity for generators negotiating under chapter 5A to manage their risk by making timeframes more specific and reducing the opportunities for the process to be delayed.
- Reinforcing the expectation that networks are clear on the information that the generator needs to provide from very early in the process.
- Ensuring that Chapter 5A does not include options for multiple information requests to impede the information provided to the generator to negotiate effectively.
- Allowing all generators to access the Chapter 5 connection processes where desired, with the selection based solely on the generator's preference, and with the option to select Chapter 5 at the start of the process, or at the point at which the generator is advised that they have to negotiate their connection.

We also strongly support the maximisation of publicly available information. The inclusions proposed by the Commission will make it much easier for us to understand the expectations of the networks during the connection process. Subsequently we will be more equipped to reduce our risk and costs and meet the expectations of our clients.

Yours Sincerely,

Franck Woitiez



Managing Director, Neoen Australia