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Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Sir

Consultation Paper: National Electricity Amendment (Connecting embedded generators) Rule 2012

Thank you for the opportunity to provide input to the Consultation Paper, *National Electricity Amendment (Connecting embedded generators) Rule 2012*, released on 14 June 2012.

Aurora Energy Pty Ltd, ABN 85 082 464 622 (Aurora) is an incorporated, State Government owned fully integrated energy and network business, with complementary activities in telecommunications and energy-related technologies. Aurora provides electricity generation, retail and distribution services to more than 270,000 customers in the Tasmanian jurisdiction. In this document, reference to Aurora should be taken as reference to Aurora in its capacity as the provider of distribution services licensed by the Regulator under the Electricity Supply Industry Act 1995.

Aurora understands that the rule proponents' request is to obtain for embedded generators unconditional access to distribution networks with minimal associated administration requirements. Aurora does not consider that the provision of unconditional access to direct control services or negotiated distribution services for any one class of network user will contribute towards the National Electricity Objective, which is directed at the long terms interests of all consumers.

Aurora acknowledges the general concerns of the rule proponents surrounding the connection process and agrees that clarity of process and communication is essential in the connections process. In Tasmania, in the absence of explicit jurisdictional requirements directing a process to connect embedded generators, Aurora chose to follow the process provided in chapter 5 of the NER. With the implementation of the NECF package in Tasmania on 1 July 2012, Aurora expects that the majority of applications for the connection of embedded generation in Tasmania will be considered under NECF processes. The connection of those generators that will be registered participants will continue to be covered by chapter 5 of the NER. For those non-registered participant customers that are not covered by NECF, Aurora will continue to follow chapter 5 because it provides certainty to both DNSP and connection applicant about information requirements and processes.

Aurora observes that many of the proposals raised by the proponents are similar to aspects of the National Energy Customer Framework (NECF). Given that the NECF

has not been implemented in several jurisdictions, it would seem imprudent to counter jurisdictional policy by introducing analogous conditions through an alternative means.

Aurora also observes that the rule proponent refers to the environmental characteristics of proposed embedded generation plant. Aurora acknowledges that the environmental credentials of proposed generation is potentially of interest to society but notes that DNSPs are restricted to consideration of the electrical characteristics at the agreed point of connection between the generator and the DNSP and of the effects of any connected party upon the operation of the distribution network and other network users.

Aurora does not support the concept of DNSPs taking on the role of electrical consultant during the connection process. Given that there will be a contract formed between the generator and the DNSP for the provision of distribution network services there would exist a potential for “conflict of interest” issues to arise were the DNSP to provide consultant services to the generator.

Aurora supports the submission made to this consultation by the Energy Networks Association.

If you have any questions, please address them to the contact noted above.

Yours faithfully



Anton Voss

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Distribution Business
Aurora Energy