



Connecting embedded generators under Chapter 5A

Commencement of consultation on rule change request

The AEMC has commenced consultation on a rule change request from the Clean Energy Council that proposes changes to the process for embedded generators negotiating connection to a distribution network under Chapter 5A of the National Electricity Rules.

Details of the rule change request

The Clean Energy Council (CEC) considers that embedded generator applicants negotiating a connection to a distribution network under Chapter 5A of the National Electricity Rules (NER) will experience unexpected costs and delays and an uncertain investment environment. The main cause of this problem, according to the CEC, is that the negotiated connection process in Chapter 5A lacks prescription.

To resolve this, the CEC proposes amendments that would increase the level of prescription in the Chapter 5A negotiation process. These amendments include requiring distribution network service providers (DNSPs) to provide specific information, such as technical and design and planning information, to embedded generator applicants at different stages of the connection process and within specified timeframes.

The CEC also proposes a number of other amendments to the negotiated connection process in Chapter 5A of the NER. These relate to:

- the level of power transfer capability that the DNSP will provide;
- fees for negotiation and connection charges imposed on embedded generator applicants by DNSPs;
- the level of liability that a DNSP can impose on an embedded generator for damages to the network; and
- the dispute resolution arrangements available to an embedded generator applicant under Chapter 5A.

Chapter 5 rule change process

The AEMC has recently completed an assessment of a rule change request relating to the connection of larger embedded generators to distribution networks under Chapter 5 of the NER.

Many of the issues considered during the Chapter 5 rule change process have also been identified by the CEC in relation to Chapter 5A. The AEMC will draw on relevant work carried out during the Chapter 5 rule change process to assist in its consideration of the CEC's rule change request.

The AEMC's final determination on the Chapter 5 rule change process can be found on the AEMC website.

Consultation process

A consultation paper has been prepared to facilitate public consultation and assist stakeholders in providing submissions on the rule change request.

The consultation paper should be read in conjunction with the CEC's rule change request, which is also available on the AEMC website.

Submissions to the consultation paper and rule change request are due by 12 June 2014.

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Background

The rule change request relates to connection process for embedded generators seeking to negotiate a connection to the distribution network under Chapter 5A of the NER.

Chapter 5A of the NER was recently introduced as part of the National Energy Customer Framework (NECF). It therefore only applies in those jurisdictions that have adopted NECF.

In NECF jurisdictions, Chapter 5A applies to non-registered embedded generators. Broadly, that is, embedded generator connection applicants with a proposed generating capacity of less than five mega-watts. For those embedded generator connection applicants proposing a generating capacity of greater than five mega-watts, the applicable connection process is located in Chapter 5 of the NER.

A negotiated connection is one of three connection types under Chapter 5A. The other connection types under Chapter 5A are basic connection services and standard connection services.

Residential roof-top solar systems would generally be eligible for a basic connection service. The CEC does not propose significant changes to the process for basic or standard connection services.

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