



## Connecting smaller generators to distribution networks

### Connecting smaller embedded generators – final determination

**The Australian Energy Market Commission today made a new rule to help generators under 5MW connect to electricity distribution networks. This was in response to a request from the Clean Energy Council.**

Business consumers are choosing to generate their own power from sources like gas, solar, wind or biomass. These business consumers may need to connect to a distribution network if they want back-up power or to sell their excess electricity to the grid.

The rule provides smaller generators that want to connect to a distribution network with two choices depending on their needs: a more flexible, open and generally shorter connection process; or a more defined, detailed, and generally longer connection process.

The new rule also requires distributors to publish clear information relevant for smaller embedded generators including information on fees and charges, general technical information and a register of completed projects.

Today's determination gives the smaller generators covered by Chapter 5A of the National Electricity Rules the ability to use the new embedded generator connection process in Chapter 5. In doing so, reforms achieved by an earlier rule change process for larger embedded generators will now apply to smaller generators.

AEMC Chairman, John Pierce said the new rule would reduce barriers for connecting generators to distribution networks, increasing competition along the supply chain.

"The final rule balances the need to maintain system security with connection processes suitable for the wide range of embedded generators that want to participate in the electricity market.

"We have widened the connection process options for smaller embedded generators to improve regulatory certainty and clarity as the emerging energy services market responds to changing circumstances and consumer needs."

In April 2014 the AEMC completed a rule change process relating to connection of larger embedded generators to distribution networks. This connection process is set out under Chapter 5 of the National Electricity Rules. Many issues considered during the earlier rule change process were raised by the Clean Energy Council in relation to smaller generators covered by Chapter 5A. As a result, the AEMC has drawn on previous relevant work carried out during the Chapter 5 rule change process to inform the Commission's consideration of this request.

Chapter 5A of the National Electricity Rules, which includes connection processes for certain embedded generators, was introduced as part of the National Energy Customer Framework (NECF). The amendments made to Chapter 5A by the final rule only apply in those jurisdictions that have adopted the NECF. This is the ACT, Tasmania, South Australia and New South Wales. The Queensland and Victorian Governments have announced that they intend to implement the NECF from 1 July 2015 and 31 December 2015 respectively.

In jurisdictions that have implemented the NECF the final rule will commence on 1 March 2015.

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**The final rule  
commences on  
1 March 2015.**

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