

# Session 1

## Identified user shared assets



# What are Identified User Shared Assets?

- **Purpose** - Developed and constructed for the purpose of connecting an identified user group to an existing transmission network
- **Use** - Are not used exclusively by the relevant identified user group
- **Payment** - For which the costs of designing, constructing, operating and maintaining are paid for by the identified user group



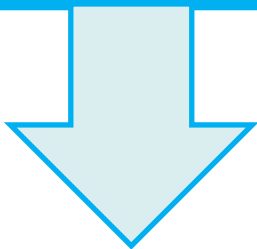
# Approach to considering Identified User Shared Assets

- Generally, we are supportive of increased contestability due to its benefits
- Stakeholders also are supportive of increased contestability
- We propose to clarify that all services for **DCAs** can be provided contestably, because the risks associated with those assets fall on that user alone, and the shared network can be protected
- But, **IUSAs** form part of the shared network, so any arrangements should **maintain clear accountability for the safe, reliable and secure supply of electricity across the shared transmission network**
- So, we set out two possible approaches to the treatment of IUSAs

# Summary of Identified User Shared Asset Models

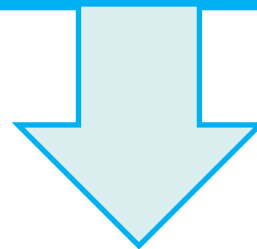
## Model A

- Model proposed in rule change request
- Construction and ownership is contestable
- All other services provided by incumbent TNSP as a negotiated service



## Model B

- Majority of services, including O&M could be provided on a contestable basis
- But, incumbent TNSP would remain ultimately accountable for any impact those assets have on the shared network



Which model best meets the NEO?

- improving outcomes for connecting parties – transparency, timeliness, cost, complexity; and
- maintaining clear accountability for outcomes on the shared transmission network

# What are the boundaries of contestability under each model?

Service	Model A	Model B
Setting the functional specification	<b>Not contestable.</b> Incumbent TNSP provides as negotiated service.	<b>Not contestable.</b> Incumbent TNSP provides as negotiated service.
High-level design		<b>Contestable.</b>
Cut-in works		<b>Not contestable.</b> Incumbent TNSP provides as negotiated service.
Construction	<b>Contestable.</b>	<b>Contestable</b> , but incumbent TNSP is accountable for the impact that the provision of these services has on the operation of the shared transmission network
Ownership	<b>Contestable</b> , subject to the agreement of terms with the incumbent TNSP regarding operation and maintenance.	
Operation	<b>Not contestable.</b> Incumbent TNSP provides a negotiated service.	
Maintenance		

# Key considerations under each model

	Model A	Model B
Registration	<ul style="list-style-type: none"><li>• Owner of IUSA required to register with AEMO under a new sub-category of registration</li></ul>	<ul style="list-style-type: none"><li>• Operator of IUSA would need to be registered as a TNSP, but not all NER obligations would apply</li></ul>
Third party access	<ul style="list-style-type: none"><li>• Incumbent TNSP would be subject to NER access provisions</li></ul>	<ul style="list-style-type: none"><li>• As a TNSP, the IUSA operator would be subject to the NER access provisions</li></ul>
Sizing for future connections	<ul style="list-style-type: none"><li>• Either the connecting party or TNSP can oversize, provided they fund it</li></ul>	