

12 June 2009

Dr John Tamblyn  
Chairman  
**Australian Energy Market Commission**  
PO Box A2449  
Sydney South NSW 1235

By email: [submission@aemc.gov.au](mailto:submission@aemc.gov.au)

Dear John,

**Submission: AEMC's Confidentiality Provisions for Network Connections**

AMEC Reference: ERC0089

This submission is in support of Grid Australia's proposed Rule change to amend the existing confidentiality provisions relating to network connection enquiries and applications under clause 5.3.8 of the Rules.

It is fundamental to the proper operation of the NEM that investors and potential investors in the physical assets that make up the system have adequate access to data on which to base their investment decisions. The commercial, regulatory and technical analysis for investment must be carried out in a timely manner, must be able to be verified and scrutinised. This analysis requires access to data currently restricted to NEMMCO and NSPs.

Hill Michael believes that the proposed Rule change will allow participants and intending participants to exploit the rights/privileges under the National Electricity Law (AER) and will help deliver outcomes consistent with the economic efficiency sought in the National Electricity Objective.

The purpose of Grid Australia's proposal is to:

- allow Network Service Providers (NSPs) to disclose confidential information to third parties under limited circumstances authorised in the Rules, such as, information in the public domain, information provided to an employee, advisor or consultant, and information where consent is given to disclose; and allow NSPs to disclose basic information regarding connection applications that under the current Rules must be treated as confidential information by NSPs.

Hill Michael is engaged by a wide client base (including intending participants and NSPs), encompassing clients at various stages of the connection process. Hill Michael facilitates a number of connection agreements between intending participants and connecting NSPs.



Access to critical data is an area which creates a bottleneck in the connection process for intending participants and internally within the NSPs. This has become more apparent recently, with generators intending to connect to Distribution Network Service Providers (DNSPs), which are less resourced relative to Transmission Network Service Providers (TNSPs) to process generator connection applications.

Hill Michael provides efficient and effective operations by ensuring technically competent applications are made to NSPs, however bottlenecks arise at the preliminary studies stage through lack of system information relevant to prospective connections.

Based on Hill Michael's experience through the application of the National Electricity Rules, we recommend that the proposed Rule change should be extended to include provisions to allow 'acceptable consultants', to access data on behalf of current participants and intending participants of the NEM, subject to necessary confidentiality agreements being set up between the 'NSP' and the 'consultants' acceptable to the disclosing party.

Therefore clause 5.3.8 (c2) in the attachment is proposed by Hill Michael to ensure current and intending participants have access to the required data through acceptable consultants.

The transparency resulting from the proposed Rule change will enable connection studies to be carried out by nominated parties, reducing the present bottleneck created by this process, enabling investment decisions to proceed without delays.

Yours sincerely,



John O'Brien  
Managing Director

## ATTACHMENT – PROPOSED RULE AMENDMENT

Grid Australia's draft Rule change proposal is set out below, together with Hill Michael extension (c2) :

### 5.3.8 Provision and use of information

- (a) The data and information provided under this rule 5.3 is *confidential information* and must:
  - (1) be prepared, given and used in good faith; and
  - (2) not be disclosed or made available by the recipient to a third party except as set out in clause 3.13.3, [clause 8.6.2](#) or this clause 5.3.8.
- (b) The data and information to be provided under this rule 5.3 may be shared between a *Network Service Provider* and *NEMMCO* for the purpose of enabling:
  - (1) the *Network Service Provider* to advise *NEMMCO* of *ancillary services* or similar services described in clause 3.11.3(j); and
  - (2) either party to:
    - (i) assess the effect of a proposed *facility* or proposed alteration to *generating plant* (as the case may be) on:
      - (A) the performance of the *power system*; or
      - (B) another proposed *facility* or another proposed alteration;
    - (ii) assess proposed *negotiated access standards*; or
    - (iii) determine the extent of any required *augmentation* or *extension*.
- (c) A *Network Service Provider* may disclose the data and information to be provided under this rule 5.3 to another *Network Service Provider* if the *Network Service Provider* considers the information or data is materially relevant to that provider for *connection*.
  - [\(c1\) A \*Network Service Provider\* may publish or disclose information regarding the size, location, completion date, primary technology \(e.g. gas turbine, coal fired, wind generator\) and broad function \(e.g. base load generator, peaking generator or load\) of a \*network connection\*, providing that an \*application to connect\* in relation to that \*network connection\* has been received by the \*Network Service Provider\* in accordance with clause 5.3.4 and clause 5.3.4A.](#)
  - [\(c2\) A \*Network Service Provider\* may publish or disclose the data and information to be provided under this rule 5.3 together with relevant network technical information to consultants acceptable to the disclosing NSP who are working on behalf of a current or prospective market participant.](#)
- (d) A person intending to disclose information under paragraphs (b) and (c) must first advise the relevant *Connection Applicant* of the extent of the disclosure, [unless the information may be disclosed by virtue of clause 8.6.2.](#)
- (e) If a *Connection Applicant* or *Network Service Provider* becomes aware of any material change to any information contained in or relevant to an *application to connect*, it must promptly notify the other party in writing of that change.
- (f) A *Registered Participant* must, within 5 *business days* of becoming aware that any information provided to *NEMMCO* in relation to a *performance standard* or other information of a kind required to be provided to *NEMMCO* under clause 5.3.7 is incorrect, advise *NEMMCO* of the correct information.