

28 January 2021

Ms Anna Collyer
Mr Charles Popple
Ms Michelle Shepherd
Ms Allison Warburton
Ms Merryn York

Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Lodged electronically: www.aemc.gov.au (ERC0294)

Dear Commissioners

**Dedicated Connection Assets – Draft Rule Determination –
November 2020**

EnergyAustralia is one of Australia's largest energy companies with around 2.5 million electricity and gas accounts across eastern Australia. We also own, operate and contract an energy generation portfolio across Australia, including coal, gas, battery storage, demand response, wind and solar assets, with control of over 4,500MW of generation capacity.

We support the Commission's preferred draft rule. The creation of dedicated connection points within the new class of 'Designated Network Assets', with individual metering, losses, performance standards etc, should provide proponents an improved basis for negotiation and help reduce investment uncertainty and risk. As the Commission has raised, this comes with the potential drawback of reduced contestability in some services, however we agree this is acceptable given the arrangements are preferable on the whole, including the proposed relaxing of contestability thresholds and ownership restrictions.

The Commission has already alluded to the number of connection enquiries that may currently be in process and also sought feedback on transitional provisions to treat any 'existing' large DCAs. To the extent parties have progressed detailed negotiations on the basis of the Commission's draft rule, it may be prudent to explore the ability of proponents and TNSPs to reach agreement and opt into new arrangements at a later stage, rather than wait for access policies to be consulted on by TNSPs and other elements of the proposed rules that would take effect after the publication date. This could involve the creation of a class of 'deemed' DCAs or particular exemptions from compliance with AER-approved access policies.

If you would like to discuss this submission, please contact me on 03 8628 1655 or Lawrence.irlam@energyaustralia.com.au.

Regards

Lawrence Irlam
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