

1/08/2018

Mr John Pierce
Chair
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Mr Pierce

Register of Distributed Energy Resources draft rule determination

TransGrid welcomes the opportunity to provide comments on the Australian Energy Market Commission's (AEMC's) draft rule to establish a register of distributed energy resources (DER).

TransGrid is the operator and manager of the high voltage transmission network connecting electricity generators, distributors and major end users in New South Wales and the Australian Capital Territory. TransGrid's network is also interconnected to Queensland and Victoria, and is instrumental to an electricity system that allows for interstate energy trading.

The National Electricity Market (NEM) is in the midst of a transformation, with the transition towards renewable energy and an increasing penetration of DER. TransGrid understands that the draft rule change to establish a register of DER aims to improve power system and network security and operation through the provision of better information on behind the meter DER.

TransGrid supports the intent of the draft rule to provide greater visibility over DER as their aggregate impact on the power system grows. In particular we note that the draft rule includes greater access to the information in the DER register than under the proposed rule, including for transmission network service providers (TNSPs). TransGrid welcomes this change.

Allowing TNSPs to have access to the information in the register has the potential to offer benefits to the planning and operation of transmission networks on a number of fronts including:

- > Allowing improved forecasting of long-term demand, which would inform the planning of transmission network investment.
- > Allowing improved forecasting of short-term energy flows over the transmission network, which would inform TNSPs of all available opportunities in operating the transmission network and assist in ensuring system stability.
- > Indicating those areas of the transmission network where there are significant potential sources of demand management. This would assist TNSPs in identifying opportunities of non-network options to defer or avoid transmission network investment.

While we understand that the focus of this rule change is on distribution network service providers, TransGrid note that draft rule amendment 5.3.3(c)(4a) extends the obligation to collect and provide the Australian Energy Market Operator (AEMO) with the relevant DER register information, as specified in AEMO's guidelines, to include TNSPs¹. TransGrid understands this to mean collecting relevant information on unregistered generators connected to transmission networks for the DER information register as part of a response to a connection enquiry, which will likely improve visibility and predictability for both AEMO and network service providers (NSPs).

¹ The draft rule amends clause 5.3.3(c) Response to connection inquiry of the National Electricity Rules to include subclause (4a), which states "DER generation information that the Network Service Provider requires;".

However, we note that information provided by potential future connecting generators to TNSPs is likely to be approximations. We would welcome further guidance on the level of information required under this proposed rule amendment, either through this rule change process or AEMO's guidelines to assist with collecting and reporting on this information if the rule is made.

TransGrid acknowledge that draft clause 3.7E DER register information guidelines subclause (i) requires AEMO to consult with all relevant stakeholders in the development of the DER register guidelines, and have regard to the reasonable costs of efficient compliance by NSPs.

TransGrid supports draft subclause 3.7E(i), especially the specification to balance the cost of compliance with the likely benefits of the information being collected. Having regard to the reasonable costs of compliance helps to maximise the benefits, whilst achieving the lowest cost to consumers in the long run. If a rule amendment is made, TransGrid looks forward to working with AEMO during the development of the DER register information guidelines.

TransGrid welcomes the changes under the draft rule. In particular, we support the greater access to the information in the DER register for all NSPs. Allowing TNSPs to have access to the register of DER will facilitate more prudent and efficient planning and operation of transmission networks, resulting in lower prices for all consumers. If you would like to discuss this submission, please contact Neil Howes, Acting Manager, Regulatory Policy, on 02 9284 3748.

Yours faithfully



Caroline Taylor

Acting Executive Manager, Regulation