

## **FOR IMMEDIATE RELEASE**

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### **Reforms will boost green energy**

The first successful customer led rule change to reform the National Energy Market (NEM) was adopted by the Australian Energy Market Commission (AEMC) last week. It will assist cleaner energy (such as larger solar, co/trigeneration, wind) connect to the national electricity grid and takes effect 1 October 2014.<sup>1</sup>

Led by ClimateWorks Australia, the Property Council of Australia and Seed Advisory, these reforms will make it cheaper and faster to connect co/trigeneration plants and renewable energy to the electricity grid.

Governments, businesses, industries, local councils and the clean energy sector acknowledge connection barriers have been major obstacles to cleaner energy for well over a decade.

ClimateWorks Executive Director Anna Skarbek said "this rule change helps unblock long standing barriers and complements energy efficiency and climate change measures.

"ClimateWorks identified the property industry can deliver about one-fifth of the Federal Government's 2020 carbon reduction total in a low cost way."

Property Council Chief Executive Peter Verwer said "the reforms provide a green light to the property industry and will unleash pent-up potential to accelerate cleaner energy investments in a range of technologies.

"The Property Council envisages green grids of buildings, neighbourhoods and city precincts that power themselves renewably.

"Green grids can complement centralised power stations, and will also evolve into localised, self-sufficient clean energy power stations.

"Businesses have faced deal breaking connection times of up to three years, or longer, while incurring enormous costs.

"Worse still, smaller businesses, local councils and community groups have found it virtually impossible to overcome connection barriers, which are wasted opportunities for clean energy."

Ms Skarbek said "we are delighted these energy reforms received a record number of supporters from community groups, NGOs, businesses, industries and governments.

"With other rule changes to follow, we are lending our experience and support to groups that wish to achieve tangible improvements to the energy market."

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<sup>1</sup> Embedded energy systems, or generators, are on-site alternatives to centralised systems (such as coal power stations). They are connected to electricity distribution networks in the NEM and include technologies such as co/trigeneration, solar, wind and others.

## Summary of reforms

As a result of the reforms, more connections should be successful within 6-12 months. This depends on the size of energy systems. Significantly, it is a vast improvement compared to past lengthy delays.

The new rule will apply to:

- all sized embedded energy systems (larger household - business - power station) in Victoria and Queensland; and
- medium to large systems (over 5 megawatts: business - power station) in New South Wales, South Australia and Tasmania.

As Western Australia and the Northern Territory are not part of the NEM, the reforms will not affect them.

The new rule offers a revamped connection process that empowers customers with:

### Certainty and faster connection stages

1. **A clear map of and guidance** on the new connection process.
2. **Time bounded connection stages.** Previously, they were open-ended.
3. **No 'stop the clock' option** for electricity network companies to consult third parties. Beforehand, they could stop the clock without time restrictions during the connection application stage. These features take the past 'guess work' out and will speed up connections.

### Critical information and lower costs

4. **Standardised forms** by electricity network companies will cut down applicants' 'green tape.'
5. **Information packs** by electricity network companies, including technical standards, costs, application details, timing and a model connection agreement. This will allow applicants to produce early feasibility assessments with little expense, previously difficult to achieve due to the lack of relevant information.
6. **Location specific network information** by electricity network companies. This will help applicants find out very early where the potential 'no go' zones are (network capacity constraints that require costly infrastructure upgrading if applicants proceed).
7. **Registers of completed projects** with details of previously connected equipment by electricity network companies for systems larger than 5MW. This will make it easier for applicants to identify opportunities and examples of what has been approved.

### Greater customer rights

8. **A more balanced set of mutual obligations**, including a description of applicants' and electricity network companies' obligations.
9. **A clearer dispute resolution process** to be used if parties cannot agree.
10. **More time and flexibility for applicants** to accept electricity network companies' offers. In the past, applicants had 2-3 days to comb through extensive contracts. They will now have 20 business days, and the option to extend this if required.

The AEMC's final determination and information graphic can be accessed at <http://www.aemc.gov.au/Rule-Changes/Connecting-embedded-generators>

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Media Contact: Aileen Muldoon, 0419 112 503