

Tuesday, 3 April 2018

Noel Ryan
Acting Director Energy Networks
Public Utilities Office
Department of Treasury
Government of Western Australia

Lodged electronically: PUOSubmissions@treasury.wa.gov.au

Dear Mr Ryan

Improving access to the Western Power network: Implementing a constrained network access regime

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in solar, wind, hydro, bioenergy, marine and geothermal energy, energy storage and energy efficiency along with more than 5,000 solar installers. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

We welcome the opportunity to respond to this review. The Australian energy sector is accelerating towards a clean energy future where unprecedented levels of renewable technologies are entering the market. It is critical that the transmission network can facilitate the renewable development required to support a secure, reliable and lower emissions system. In this spirit, we welcome the Public Utilities Office's (PUO's) focus on improving the network.

Improving access to the network is critical

The CEC strongly supports initiatives to improve access for new generators connecting to a network. Network congestion is of increasing concern as recent investment trends show significant levels of new renewable generators seeking to connect to the grid at a pace that exceeds that of network augmentation investment. It is critical that network capacity supports access for new generators. The CEC welcomes the PUO's focus in this regard.

Transmission investment is preferable to constrained access

The nature of network congestion is problematic Australia-wide, and it is the CEC's view that investment in new transmission networks is of primary importance. As outlined in our submission to the Australian Energy Market Operator's Integrated System Plan, minor network augmentations will be insufficient to cater to the scale of the transition currently underway. Large-scale investment in new transmission is required for the significant investments that will be necessary for the level of new build required in the near to medium-term future and a transition from thermal to renewable generation.

The CEC urges that the PUO focus on strategic and coordinated investment in transmission networks as a priority. The network access regime should not impede

necessary network investment; rather the two should be complementary to ensure efficient new generator connections.

The need for constraints for system security outcomes must be demonstrated

The state of power system security and reliability in the South West Interconnected System must be considered as the market undergoes the fundamental changes currently being observed. However, any constraints placed on generators to maintain system security must be robustly justified with evidence. There must also be clear and well-defined methodology and processes underpinning a constrained network design, with sufficient opportunity for industry to input into these prior to their finalisation.

The CEC requires evidence on the necessity of a constrained market design for security outcomes and the details around how a security-constrained market design would work in practice.

We thank you for the opportunity to provide our views on this matter and we welcome the opportunity to engage further with the PUO on this process. Please contact Emma White on 03 9929 4107 or ewhite@cleanenergycouncil.org.au in the first instance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lillian Patterson', written in a cursive style.

Lillian Patterson
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