

12 October 2018

Mr Ashwin Raj
Manager Energy Networks
Public Utilities Office
Locked Bag 11
Cloisters Square WA 6850

Lodged via email: PUOSubmissions@treasury.wa.gov.au

Dear Mr Raj,

**PROPOSED APPROACH TO IMPLEMENT CONSTRAINED NETWORK ACCESS
CONSULTATION PAPER**

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 5,300 solar installers. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC welcomes the opportunity to respond to the Public Utilities Office's (PUO's) consultation paper in relation to the proposed approach to implement constrained network access in Western Power's network. Overcoming network congestion to allow new generators to connect to the network is a priority for new renewable energy developments in Western Australia. We support the PUO's process to overcome this barrier to accessing the network and thank it for the consultative process it has undertaken to engage industry in this process.

The CEC is supportive of the proposed transition to a constrained grid scenario.

Transmission investment will still be required

The energy system across the country is going through a significant transition as unprecedented levels of renewable technologies enter the market. It is critical that the network can cater to the scale of this transition. While implementing a fully constrained access model could facilitate better utilisation and operation of the network, it should not impede future necessary investment in transmission.

Devil is in the detail for transitional assistance to implement fully constrained access

The PUO's preferred approach is to implement a fully constrained network access model to ensure all generators have equal access to the network and are all subject to the same limitations with respect to the treatment of access rights. It suggests this would involve the conversion of physical firm access rights to financial firm access rights for incumbent generators that currently have unconstrained physical firm access.

The CEC strongly suggests that this transitional assistance must be within carefully defined parameters. There is significant detail on the transitional assistance that still needs to be developed, such as the appropriate trigger events, and it is important that all parties, not just incumbent generators that are directly affected, are involved in this development process. As part of this process, the PUO should also consider the incentives generated by the transitional arrangements as it is important that they do not result in unintended perverse behaviour or market outcomes.

What are the implications for batteries?

The PUO's proposed reforms are not intended to change the connection and access arrangements for loads. The CEC suggests the PUO consider the implications of the proposed reforms on large-scale storage which are considered both a generator and a load.

Thank you for the opportunity to provide the clean energy industry's views on these matters. Please contact me on the below details or Dermot Costello, Regional Advisor WA, on 0406 800 732 for any queries regarding this submission.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dermot Costello', is centered on a light green rectangular background.

Dermot Costello
WA Advisor, Clean Energy Council
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dcostello@cleanenergycouncil.org.au