10 March 2009

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ENA RESPONSE TO THE MCE SCO PAPER "ELECTRICITY DISTRIBUTION NETWORK PLANNING& CONNECTION – A NATIONAL FRAMEWORK FOR DISTRIBUTION NETWORKS

The Energy Networks Association (ENA) welcomes this opportunity to respond to the issues raised in the Ministerial Council on Energy (MCE) Standing Committee of Officials (SCO) Policy Response paper titled; *"Electricity Distribution Network Planning and Connection-A National Framework for Distribution Networks"* circulated on 15th December 2008.

ENA is the peak national body for Australia's energy networks. ENA represents gas distribution and electricity network businesses on economic, technical and safety regulation and energy policy issues.

ENA supports the MCE-SCO objective to develop nationally consistent connection arrangements which allow for the possibility of harmonisation of the access related frameworks governing this sector so that inconsistencies across jurisdictions are minimised.

ENA notes that the paper represents the MCE response to the NERA/Allen Consulting Group paper *"Network Planning and Connection Arrangements-National Framework for Distribution Networks"* released in August 2007. In its response to that paper, ENA stated that the issues addressed were complex matters of market and regulatory design, with implications beyond the network sector. ENA therefore considered that the Australian Energy Market Commission (AEMC), as the market development body of the National Electricity Market, was best placed to develop the detailed rules with regard to network planning, connections and network losses.

Accordingly, ENA welcomes the MCE-SCO decision to direct the AEMC to conduct a review in consultation with stakeholders on the appropriate national framework for distribution network planning and expansion. ENA also notes that the MCE-SCO paper signals the intention to develop a policy paper for the establishment of a "National Framework for Gas Connection" and looks forward to participating in this process. ENA also supports the MCE-SCO proposal that the connection process should begin with the distribution network service provider receiving a formal connection application from the applicant.

However, ENA has concerns with the detail of the proposed MCE-SCO load and embedded generation connection model. Specifically we are concerned that the model:

- is incomplete and inconsistent with MCE-SCO's response to other recommendations;
- does not appear to appreciate the simplicity of existing jurisdictional connection processes;
- has unrealistic timelines;
- interposes a highly formalised process to cover the majority of simple connections; and
- included a number of aspects which are open to different interpretations, particularly when considered by parties with widely different current approaches

As ENA members have had a long and successful record in the connection of customers to the network, ENA proposes that MCE-SCO initiate a focused technical working group drawing on the expertise of distributors to provide advice on the development of the framework, including the development of case studies, creation of standardised connection procedures and principles for determining the method of calculating payment for the network augmentation. ENA would also like to consult with MCE-SCO on how the NCF and the NECF might best interact.

ENA looks forward to working with MCE-SCO and the AEMC on the next steps in the development of a nationally consistent planning and connection regime for both electricity and gas.

Please contact me should you wish to discuss our response further.

Yours sincerely

Andrew Blyth
Chief Executive

ENA SUBMISSION TO MCE SCO PAPER "ELECTRICITY DISTRIBUTION NETWORK PLANNING & CONNECTION – A NATIONAL FRAMEWORK FOR DISTRIBUTION NETWORKS

10 March 2009

Key Points:

ENA seeks the formation of a small focused National Connection Framework "technical working group" to provide input on how connection processes work in practice.

ENA supports a connection process that; is initiated by the DNSP receiving a completed application containing all relevant information, is simple in its application, incorporates realistic time lines and is preceded by a time independent enquiry phase which is not subject to regulation.

ENA seeks clarification on the likely interaction between the National Electricity Rules, the developing National Energy Customer Framework and the proposed National Connection Framework.

ENA supports standard connection procedures which are comprehensive enough to apply to a wide range of similar connections arrangements many of which involve an element of negotiation.

As a general principle connections should not be subsidised by those not directly benefiting from the connection.

The application of reimbursement schemes should have regard to whether benefits outweigh costs and be administered effectively and equitably.

ENA does not support the AER having a role in approving standard connection contracts but believes that a compliance-enforcement approach is more appropriate.

1. EXECUTIVE SUMMARY

Energy Networks Association (ENA) welcomes this opportunity to address the issues raised in Parts 2 and 3 of the Ministerial Council on Energy (MCE) Standing Committee of Officials (SCO) Policy Response paper "Electricity Distribution Network Planning and Connection" circulated on 15th December 2008.

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ENA is the peak body for Australia's energy networks. ENA represents gas distribution and electricity network businesses on economic, technical and safety regulation and energy policy issues.

ENA welcomes the MCE-SCO decision that the Australian Energy Market Commission (AEMC) be directed to conduct a review, in consultation with stakeholders, on the appropriate national framework for distribution network planning and expansion and looks forward to working with the AEMC on this matter. ENA also notes that the MCE-SCO paper signals the intention to develop a policy paper for the establishment of a National Framework for Gas Connection and welcomes the opportunity to participate in this process.

With respect to electricity distribution network connection arrangements, the ENA supports the MCE-SCO proposal that the connection process should begin with the distribution network service provider receiving a formal connection application from the applicant. However, ENA has a number of substantive concerns with the detail of the proposed MCE-SCO load and embedded generation connection model. Specifically we are concerned that the model:

- is incomplete and inconsistent with SCO's response to other recommendations;
- does not appear to appreciate the simplicity of the significant majority of existing jurisdictional connection processes;
- has unrealistic timelines;
- includes a number of aspects which are open to different interpretations, particularly when considered by parties with widely different current approaches; and
- interposes a highly formalised process to cover the majority of simple connections.

As ENA members have had a long and successful record in the connection of customers to the network, ENA proposes that MCE-SCO initiate a focused technical working group drawing on the expertise of distributors to provide advice on the development of the framework, including the development of case studies and to develop standardised connection procedures which are sufficiently comprehensive to allow for a wide range of connection arrangements. ENA also suggests that MCE-SCO seek specialist input from distributors in relation to capital contributions.

2. Background

This submission responds to the issues raised in Parts 2 and 3 of the Ministerial Council on Energy (MCE) Standing Committee of Officials (SCO) Policy Response paper "Electricity Distribution Network Planning and Connection" circulated on 15th December 2008.

Energy network businesses deliver electricity and gas to over 13 million customer connections across Australia through approximately 800,000 kilometres of electricity distribution lines. There are also 76,000 kilometres of gas distribution pipelines. These distribution networks are valued at more than $40 billion and each year energy network businesses undertake investment of more than $5 billion in distribution network operation, reinforcement, expansions and greenfields extensions. Electricity transmission network owners operate over 42,000 km of high voltage transmission lines, with a value of $10 billion and undertake $1.2 billion in investment each year.

GENERAL COMMENTS

ENA acknowledges the MCE-SCO policy response to the NERA/Allen Consulting Group (ACG) paper recommendations of August 2007 has been formulated with regard to some key policy developments noted in the policy paper[1].

ENA recognises that the challenge is to develop a national planning and connection framework which contributes to these policy developments by:

- Establishing a 'level playing field' for all potential connections,
- Allowing for the expanded role of embedded generation (EG) in delivering Australia's energy mix,
- Offering integrated and practical connection processes including realistic response timelines; and
- Allowing for flexible and innovative network practices which will assist in introducing new technology.

The MCE-SCO paper represents a step towards achieving a national framework for planning and connection for electricity distribution networks. Specifically, ENA supports the MCE decision to refer the planning issue to the Australian Energy Market Commission (AEMC) which aligns with the position taken by ENA in response to the NERA/Allen Consulting Group (ACG) paper "Network Planning and Connection Arrangements" release by MCE on August 2007.

However, ENA is concerned that the MCE-SCO paper overlooks many complex issues relating to customer connection, contestability and capital contribution. This is suggested because there has been limited direct industry input during the formulation of the paper. There also appears to have been limited alignment with the National Energy Customer Framework (NECF).

ENA's view is that in going forward the MCE-SCO should consider engaging with a small technical expert group drawn from the distribution industry to gain a better understanding of how connection processes work in practice. In addition, after MCE-SCO has considered submissions from this first round consultation, ENA believes that there would be substantial value in a second roundtable session with stakeholders.

ENA also believes that it is vital to ensure that the National Connection Framework (NCF) process and the NECF processes are developed in parallel and are coordinated to provide for a comprehensive and viable outcome. Separating the process in the current manner makes it difficult for businesses to understand the whole framework and may lead to incorrect assumptions and inconsistencies in the development of the customer framework.

ENA notes that MCE-SCO's proposed connection framework applies to both load and EG connections. The importance of arriving at a nationally consistent framework for achieving increased harmonisation of EG connection and contract arrangements, technical requirements and

[1] MCE-SCO Policy Response, 15 December 2008: Electricity Distribution Network Planning Connection, Background and Context, p3-4.

operating protocols is recognised in ENA's Discussion Paper, "Embedded Generation Issues ENA Policy Framework", November 2008. The paper is available on the ENA website (www.ena.asn.au).

Key Message:

ENA recommends the formation of a small focused NCF "technical working group" to provide advice on how connection processes work. This will provide a firmer basis for informing the development of the framework.

RESPONSE TO ISSUES RAISED IN PAPER

1. **Stakeholders are requested to provide comment on the proposed timeframes to apply to the standard and negotiated connection procedures.**

As per figure 1 of the MCE-SCO paper the distribution network service provider (DNSP) either provides a standard connection offer for a negotiated connection. Under the former the customer has 2 months to accept. Under the negotiation option the DNSP has 10 business days to advise the customer of the required technical information and preliminary program. At the end of the negotiation process the customer is provided with a negotiated connection offer with a 1 month response time.

ENA Response

ENA has a number of concerns with the process described in figure 1, that is it:

(a) is incomplete and inconsistent with SCO's response to other recommendations;
(b) does not appear to appreciate the simplicity of the significant majority of existing jurisdictional connection processes;
(c) has unrealistic timelines;
(d) interposes a highly formalised process to cover the majority of simple connections. and
(e) includes a number of aspects which are open to different interpretations, particularly when considered by parties with widely different current approaches.

a. Incomplete and inconsistent

SCO's figure 1 takes the view that a connection process commences with a formal application from an applicant. This is a sensible starting point, given that it can be unambiguously defined in the Rules (for example, receipt by the DNSP of a validly completed application).

ENA supports the MCE-SCO proposal that the connection process should begin when the DNSP has received a completed application with all the relevant information to allow the DNSP to initially assess the type of connection (standard or negotiated) required.

However, figure 1 has left out an enquiry phase or preliminary estimate phase. This appears inconsistent with the MCE-SCO response to NERA/ACG recommendation 17, which recognises an earlier pre-application enquiry phase (which ENA supports) but appears to set firm timelines for a DNSP response (which ENA does not support). That is, ENA supports the recognition but not the regulation of the pre-enquiry phase as implied in Recommendation 17.

The MCE-SCO paper states that the DNSP is required to respond to specific connection inquiries and provide appropriate technical information within 5 business days. ENA submits that no time limit should be imposed on the enquiry phase, given that in practice it may be difficult to establish when a particular 'enquiry' has commenced and finished, or even whether it is a single continuous process at all.

ENA notes that Chapter 5 of the NER has provision for both an enquiry and an application and submits that the SCO framework should make a similar provision. However, (as noted) given the very broad interpretations that could be given to the nature of an 'enquiry', ENA submits that no timeline should apply to this phase.

b. Simple existing connection processes

Some jurisdictional connection processes begin with a basic business to business (B2B) request from retailer to distributor, with a prescribed 10 business days to make a connection to the end user. This process assumes that no technical or commercial issues will emerge to complicate the connection. Should issues emerge, then an (agreed) longer time frame will be required.

For load connection requests, the Victorian process references a DNSPs' reasonable technical requirements, which are in the Electricity Industry Service & Installation Rules. This affords users a simple connection standard with appropriate technical protection for DNSPs.

c. Unrealistic time lines

As noted, some jurisdictions provide for an 'end to end process' (application to connection) which generally takes 10 business days. Should issues emerge; the DNSP will advise the applicant that further details will have to be exchanged before the connection can be progressed via a negotiated process. However, SCO figure 1 allows only five business days for a DNSP response to a connection application. ENA submits that this will not always be possible, and that a 10 day response period would better allow for DNSP evaluation and advice as to whether the DNSP needs to follow a more complex process to examine technical support options within prescribed standards towards a proper engineering solution to the connection and to propose a solution to the customer.

For larger generation, the time for a DNSP to respond may depend on the effectiveness of the effort the applicant has made identify issues associated with the proposed connection. It may therefore be that the DNSP will have difficulty in assessing the application. Consequently, the 5 business days proposed for the connection application could be too short if the EG proponent has not invested sufficiently in acquiring information for the DNSP to make a reasonable assessment of the type of connection required. Five business days is represents a tight timeframe even if the customer has provided all necessary information.

ENA notes MCE-SCO's proposal that 'standard connection' applicants will have 2 months to accept an offer to connect, although the commercial reality is that most customers will have expectations of a much shorter time-frame for connection. As noted, for B2B connections, the period is more likely to be 10 business days.

ENA also notes that (overall) DNSPs will have 15 business days from an application to advise the applicant of required technical information for a "negotiated" agreement. Then, having been provided with a negotiated connection offer, the MCE-SCO model provides for a 1 month timeframe for the applicant to respond. ENA recommends that DNSPs should have the flexibility to extend both these periods (by agreement with the applicant).

d. SCO proposed formal process

Across jurisdictions connection processes vary widely, and without any apparent detriment to connecting parties.

The Ch 5 Rules provide for an 'offer to connect' to be made available to applicants and also a protocol for information exchange between the DNSP and applicants. Together these elements can form an 'implied contract' between the two parties, with acceptance of the offer initiating a connection.

As another example, in Victoria, the connection process is supported by a legislative framework designed to standardise the rights and obligations of both the DNSP and end-user in connection matters. There is no standing 'offer to connect'.

ENA is not suggesting that any particular jurisdictional model should apply nationally. However, we observe that the majority of connections can be initiated fairly simply without the need for a Rules-based contractual model between applicant and DNSP in the structured manner envisaged by SCO.

Key Messages

ENA supports a connection process that; is initiated by the DNSP receiving a completed application containing all relevant information, is simple in its application, incorporates realistic time lines, recognised variation between connection "types", and as appropriate is preceded by a time independent enquiry phase which is not subject to regulation.

2. **MCE-SCO invites comments from stakeholders on the regulatory design aspect of the requirements for new connections. In particular, whether there should be two separate contracts (one for the initial connection phase and one for ongoing services) or a single distribution contract governing both initial connection and ongoing services.**

ENA Response

ENA is unsure if and how the connection requirements in Chapter 5 of the National Electricity Rules (NER) and the concept of 'ongoing service provision' in the National Customer Rules are related. ENA would also like to consult with MCE-SCO on how the NCF and the NECF might best interact.

Following consultation it may then be possible to formulate a definitive view on contractual design with one option being to allow two contracts or one contract approach depending on the particular circumstances involved.

At present we are aware that some stakeholders may favour a combined contract while others do not. Therefore ENA's view is that MCE-SCO should develop an approach that does not preclude DNSPs from offering either a single or two separate contracts depending on their preference.

Key Message:

ENA seeks clarification on the interaction between the NCF and the current Rules and the NECF to formulate a position. One option for consideration would for DNSPs to offer either a single or two separate contracts depending on which approach is most suitable.

3. **Stakeholder comments are sought on the proposed national framework for connection. Specifically, comments are sought on the proposed framework for connection contracts, the connection procedure and links to Chapter 6 of the NER (in particular classification of services and the negotiation framework).**

Application of standardised procedures

ENA supports the adoption of standardised connection procedures where possible, as they generally contribute to timely and efficient connections. However, a 'standard connection agreement' should, in ENA's view, be comprehensive enough to be applied in a wide range of basically similar connection situations. We elaborate on this point below.

Standard & Negotiated contracts

ENA has concerns about the MCE-SCO's model of negotiation and the concept of a separate negotiated contract to deal with the majority of normal connection matters. In many cases, there is an element of interaction between the DNSP and connection applicant but this is regarded as part of a standard connection process and does not require a different type of contract or contract process.

Rather than providing for an AER-approved 'standard' contract and potentially a multiplicity of 'negotiated' contracts, ENA submits that the MCE-SCO framework should recognise that most connections involve an exchange of standardised data and information including possible options to enable a DNSP to arrive at an offer which matches the customers supply situation and requirements, and the DNSPs technical requirements and cost arrangements.

It should also be recognised in the MCE-SCO framework that most connections do not slot exclusively into a totally standardised process and a total negotiation. Rather, it is the case that all connections may involve some element of analysis of competing technical solutions, ranging from very minor to somewhat more significant. Without going into detail at this point, ENA suggests that there are various practical ways in which consideration of these technical options which have cost

and reliability implications while having to comply with DNSP technical standards can be accommodated in a standard framework.

MCE-SCO's highly formalised process in figure 1 would appear assuming a broad definition of negotiation to place an inordinate number of relatively simple connections into a 'negotiated' category, with its attendant special timelines and implied exchange of complex technical data – which is not a realistic model.

Notwithstanding the above, ENA supports the use of nationally consistent standard contracts for micro EG and load customers.

Key Messages:

ENA supports standard connection procedures which are comprehensive enough to apply to a wide range of similar connections arrangements many of which involve an element of negotiation.

ENA has concerns about the MCE-SCO's model of negotiation and the concept of a separate negotiated contract to deal with the majority of normal connection matters.

4. Stakeholder comments are sought on the proposed national framework for connection charge/capital contribution arrangements.

ENA notes that the MCE SCO response for a national connection framework was guided by the "key objective of cost reflectivity". For network augmentation SCO proposes that the connecting user pay, in the same way as it pays for connection and extension assets. The exception to this will be small customers as defined in the National Energy Customer Framework (NECF) for which costs will be recovered through the Distribution Use of System (DUOS) charges.

SCO proposes that the AER develop a guideline detailing the methodology associated with the calculation of the augmentation component of a connection charge. The implementation of a new capital contribution framework will be aligned with regional revenue resets. Principles for the calculation of capital contributions include:

- Large customers will be required to pay for costs of all network extensions and augmentations of assets required to connect the customer and for the cost of dedicated assets.
- Small customer and micro EG will be required to pay a capital contribution for extension and dedicated connection assets. Augmentation will be covered through DUOS as appropriate.
- Customers will receive a repayment of capital contribution payments for previously dedicated assets (including augmentation assets for large customers) proportional to new customer utilisation of that asset.

ENA Response

ENA welcomes the MCE-SCO position that cost reflectivity is the key objective for setting a national framework for connection charge/capital contribution arrangements.

However, ENA consider that MCE-SCO needs to set out a balanced set of objectives to guide development of a capital contributions policy. In particular, equity needs to be included as an objective along with cost reflectivity. This is a topic where ENA considers that its members specialised knowledge can beneficially assist MCE-SCO.

DUOS Charges

ENA notes the MCE-SCO papers support for the application of a DUOS charge for small customers. However, ENA also notes that the National Electricity Rules (NER) precludes the application of DUOS charges for energy exported by the EG into the network (Clause 6.1.4). ENA recommends that MCE-SCO should request the AEMC give further consideration to the application of DUOS charges.

Capital contributions and fees for connection

ENA considers that MCE-SCO should have regard for the existing differences in capital contributions policies across jurisdictions in developing a national approach. These differences arise for a range of reasons including, amongst other things:

- The current (and future) classification of connection services varies across jurisdictions;
- Varying degrees of contestability of connection services across jurisdictions;
- Non-utility markets that can undertake the connection work - in some jurisdictions the non-utility market is established and in other jurisdictions it is not; and
- Differences in payment for connection services - not all jurisdictions require capital contributions. The cost of connection services can be recovered either up front via a capital contribution or over time through ongoing tariffs such as general DUOS or individually calculated customer tariffs.

As noted ENA members would welcome the chance to provide MCE-SCO with the benefits of their experience with implementing capital contribution arrangements.

ENA's view is that capital contributions and fees for connections should be formulated to address the particular characteristics of each class of connection and notes MCE-SCO's position that the capital contribution calculations be based on customer size.

However, the proposed mode of operation of the connecting party also needs to be accounted for. The relative size of load (that is capacity) compared with system capacity at the proposed connection point will bear on the augmentation required as would the proposed mode of operation.

Further, while seeking capital contributions for marginal network equipment by the connecting party seems clearly relevant for at least the shallow connection assets, the possible need for further upstream system alteration needs consideration, at least for some classes of connection. This is a point that MCE-SCO appears to acknowledge in its recommended treatment of large customers.

As a general principle ENA's view is that a customer should pay for the direct cost of connecting to the shared network but that the principles for determining the method of calculating payment for the augmentation needs further consideration. If a party does not pay the full costs of connection to the network then there should be a mechanism to ensure that the connection is not subsidised by those not directly benefiting from the connection. This outcome can be achieved by ensuring that the regulatory regime is reflective of all costs incurred in connection. Alternatively, the generator cannot be guaranteed unconstrained access to the network.

First mover issue

ENA notes that in recommending that the initial connecting party be reimbursed for capital contribution payments made for previously dedicated assets (including augmentation assets for large customers) proportional to new customer utilisation of that asset, the MCE-SCO paper is addressing the "first mover" issue.

ENA welcomes this initiative but notes that such reimbursement schemes need to be administered effectively and equitably.

ENA considers that if any form of reimbursement scheme is mandated, the obligation should have regard to the increased administrative costs relative to the benefits. Any form of reimbursement scheme should be limited in application to those situations where a specific group of applications would be clearly and unfairly disadvantaged without reimbursement.

ENA also believes that the issue of how to share cost reimbursements between the initially connected party and the end use customer needs to be addressed.

Such consideration would need to develop a set of principles so that an assessment can be made of the full scope of the proposal and the practicality and cost of implementing it.

Key Messages:

ENA recommends MCE-SCO request that AEMC give further consideration to the application of DUOS charges, in particular, in relation to the exclusion of such charges where energy is exported by embedded generators.

ENA suggests that MCE-SCO seek specialist input from distributors in relation to capital contributions.

ENA considers that a customer should pay for the direct cost of connecting to the shared network but that principles for determining the method of calculating payment for the augmentation needs further consideration.

ENA's view is that if a party does not pay the full costs of connection to the network then there should be a mechanism to ensure that the connection is not subsidised by those not directly benefiting from the connection.

The application of reimbursement schemes should have regard to whether benefits outweigh costs. How to share the cost reimbursements where they arise needs further MCE-SCO consideration.

Other Issues/Comments

AAR proposals for single distribution contract

ENA notes that Allens Arthur Robertson (AAR) has proposed that a single contract should apply to cover the connection process for 'retail load customers' and for the same contract to cover the ongoing provision of distribution services under the NECF. A similar approach could be adopted for

"move in" customers so that the contract for distribution services under the NECF incorporates those provisions relating to the connection process which have ongoing relevance for the connection of particular premises.

ENA has noted under responses to Issue 2 in this submission that its members would like to work with MCE-SCO to determine how the NCF and the NECF should best interact, including further consideration as there are a range of views to not preclude either a single or two contracts.

Role of Retailers

Overall, the role of retailers in the process generally should be given stronger consideration. The Rules need to provide the head of power to the B2B process which is based on the Retailer generally acting as the customer's/contractor's interface to the distributor.

ENA therefore believes that the role of retailers as agents for clients with a capacity to enter agreements with DNSPs to establish connections needs to be formally recognised in the National Connection Framework as well as the NECF.

Connection Reporting Requirements

The micro EG market is set to expand enormously over coming years due to government legislative encouragement, yet the onus would still be on DNSPs to advise property owners upon every change of property ownership. ENA notes that MCE-SCO has agreed with the Essential Services Commission (ESC) proposal that DNSPs should specifically inform a new owner of the premises that there are terms and conditions for micro EG at that supply point.

As the expanded uptake of micro EG is a government initiative, ENA suggests that the advice to incoming owners should be dealt with by way of a government requirement on the property owner. For example, an encumbrance on the property under appropriate legislation could be one option. Mandatory labelling at the property switchboard indicating that EG is installed at the premises needs to be monitored to ensure this requirement of AS 4777 is implemented.

Separately, ENA considers that there is a firm need for an obligation to apply to an EG or load customer to notify the distributor of, and seek agreement in relation to, installation or upgrade. ENA therefore recommends that there be a requirement by the customer or the installer representing the customer to report relevant information, such as generator type and capacity at the time of installation or subsequent upgrade to the DNSP.

Role of Australian Energy Regulator (AER)

MCE-SCO's framework requires a DNSP to submit a 'standard connection contract' to the AER for approval. It is important to consider what might need to be reviewed and approved by the AER, given its role as an economic regulator.

Given that MCE-SCO's proposed 'standard connection contracts' will largely reflect DNSP obligations drawn from existing or modified Rules (for example Schedule 5.6 of the NER), the Rule obligations in connection agreements should simply be compliance matters for DNSPs. Therefore contracts themselves should not be subject to AER approval.

The contracts will not formulate connection cost recovery mechanisms since MCE-SCO proposes that the AER will develop these under a guideline. ENA would expect that all pricing and charging matters that are relevant to connection would have been addressed by the AER in price reviews.

ENA cites examples of the frameworks for energy economic regulation, which generally require that contractual terms and conditions must be approved by the AER, but not the individual contractual agreements which embody those terms and conditions.

Therefore, ENA does not support the AER having a role in approving standard connection contracts. Under the current proposal, the Rule will require standard connection contracts to address certain matters set out in minimum requirements, then it is more is more appropriate for the AER to have a monitoring, compliance and enforcement role. This will ensure that the DNSPs standard connection contracts are consistent with the minimum terms for connections and other requirements set out in the Rules and that the interests of customers are protected. A compliance-enforcement approach is more consistent with the AER's compliance role under the NER for non-economic matters.

Key Messages:

ENA recommends that the role of the retailer as agents but not sole agents for the client be formally recognised in the NCF.

ENA's view is that there should be an obligation on property owners to ensure that vital information relating the micro-generation is passed-on when contracts are exchanged with the purchaser of the property.

ENA recommends that there be a requirement by the customer or the installer representing the customer to report relevant information, such as generator type and capacity at the time of installation or subsequent upgrade to the DNSP.

ENA does not support the AER having a role in approving standard connection contracts but that a compliance-enforcement approach is more appropriate.