

# Final Decision

## Lumea's Designated Network Access Policy for Riverina DNA

June 2023

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# 1 Purpose

On 17 February 2023, Lumea Pty Limited (ACN 626 136 865) as trustee for Lumea Trust (ABN 94 121 353 950) (Lumea) submitted its Designated Network Asset Access Policy for the Riverina DNA to us for approval.

Our Final Decision is to approve Lumea's Riverina DNA access policy. This decision document sets out our assessment leading to the approval of the access policy. A copy of the approved access policy can be found on our [website](#).

## 1.1 Background

Privately owned and operated extension lines are commonly required to connect generators and large energy customers to the shared transmission network. These extension lines from generation sources and energy customers to the transmission network are broadly described as connection assets.

'Designated network assets' (DNA) are a type of connection asset. The definition of a designated network asset in Chapter 10 of the National Electricity Rules (NER) is as follows:

The apparatus, *plant* and equipment that:

- (a) are used from the *boundary point* to convey, and control the conveyance of, electricity, for an *identified user group*
- (b) are for the exclusive use of the *identified user group* and may be owned by different persons within that *identified user group*
- (c) include power lines that have a route length of:
  - (1) 30 kilometres or more, or
  - (2) less than 30 kilometres where the owner of those assets has entered into a *network operating agreement* in respect of those assets.

The NER creates a third-party access regime designed to protect DNA owners and access seekers to their network. As part of this access regime, the asset owner is required to develop and publish a DNA access policy, based on the negotiating principles for DNAs. The access policy must be approved by the AER.

This is the first time the AER has considered a DNA access policy. These policies provide essential information to access seekers and we will seek further information from asset owners where we don't consider that a policy meets the minimum NER requirements.

Information requests will have the effect of 'stopping the clock', until the relevant changes to the access policy are made and submitted to us. DNA owners must address the requirements in the NER in order for us to approve their policies.

The DNA owned by Lumea is part of the Riverina Battery Energy Storage System project and involves the connection of 3 independent but co-located battery energy storage systems of 25 MW, 60 MW and 65 MW each, with an overall capacity of 150 MW and in aggregate able to store 300 MWh of energy. The battery is connected to the transmission network by 200 metres of 132 kV cable. This cable is the DNA. Lumea's access policy contains a map clearly showing the DNA.

## 2 AER's decision

### 2.1 Legal framework

Under 5.2A.8(f) of the NER, we must, within 60 business days of receiving a DNA access policy, approve the policy (or a variation of the policy) if we are reasonably satisfied that it complies with the relevant requirements outlined in 5.2A.8 of the NER.

Under Clause 5.2A.8(o) under Schedule 2 of the NER we must publish a [register](#) of DNAs, the identity of DNA owners and a copy of each DNA owner's access policy. This provides a source of information for access seekers on all DNAs,

### 2.2 AER assessment

On 17 February 2023, Lumea submitted its Designated Network Asset Access Policy Riverina DNA for AER approval.

The AER's role in approving access policies is limited to assessing whether DNA access policies comply with 5.2A.8 of the NER.

We have undertaken a review of Lumea's Riverina DNA Access Policy in accordance with the NER, so that we can be reasonably satisfied that it complies with the requirements of the Rules.

To guide our assessment, we developed an assessment framework based on the requirements of 5.2A.8 of the NER. We then assessed Lumea's proposed access policy against this framework.

In undertaking our assessment we came to the initial view that not all requirements had been fully satisfied. As permitted under the NER, we sought further information from Lumea throughout the assessment process, which resulted in the 'clock being stopped' on the assessment. Lumea subsequently provided all requested information so that we could complete our assessment process.

We highlight this issue for other participants that are intending to submit Designated Network Asset Access Policies in the future. It is important to address all requirements of the Rules in your initial application to allow for efficient consideration. Use our assessment framework in Table 1 as a guide.

One area where we sought further information was about 'likely charges' for access seekers to Lumea's DNA. Following a request for further information, Lumea amended the access policy to include principles for determining likely pricing for future access seekers. This level of generality on 'likely pricing' was sufficient to meet the minimum requirements of the NER in this case. This was because the asset is a (short) 200 m radial asset with no spare capacity. As such, any future application for access to the DNA would necessarily require significant augmentation. While we were satisfied in this case, for future applications we are likely to require a greater level of specificity about prices for future access seekers.

Table 1 provides an overview of the broad categories against which we assessed Lumea's Riverina DNA Access Policy. Although our assessment was in greater detail, Table 1 provides an overview of the nature of the assessment we undertook.

**Table 1: AER assessment of Lumea’s Riverina DNA Access Policy**

Category and corresponding NER references	Where addressed in Lumea’s Riverina DNA access policy
<ul style="list-style-type: none"><li>Information requirements: description of the asset, capacity and other limitations</li><li>5.2A.8(b1) (1); 5.2A.8(b1) (2)</li></ul>	Schedule 2
<ul style="list-style-type: none"><li>Consistency with the schedule 5.12 in respect of costs, revenues, contractual rights and obligations</li><li>5.2A.8(b1) (3)</li></ul>	Item 9(b)(i) and policy generally.
<ul style="list-style-type: none"><li>Information and requirements regarding pricing, cost sharing, timeframes and good faith negotiations</li><li>5.2A.8(b1) (4), 5.2A.8 (b3), 5.2A.8 (b4), 5.2A.8(b1) (5), 5.2A.8 (b2)</li></ul>	Items 6,10 and 12
<ul style="list-style-type: none"><li>Availability of commercial arbitration.</li><li>5.2A.8(b1) (6)</li></ul>	Item 11

## 2.3 Consultation

Under Clauses 5.2A.8(h) of the NER we may decide to consult on a DNA access policy.

We have decided not to consult on Lumea’s Riverina DNA Access Policy because:

- the access seeker had input into the development of Lumea’s Riverina DNA access policy
- there currently exists no additional capacity to facilitate other access seekers to connect to the DNA.

However, in future DNA access policy assessments, there may be cases (such as for a ‘significant’ designated network asset in terms of its length or other features) where we may determine consultation is beneficial.

## 2.4 Conclusion

In accordance, with clause 5.2A.8(f) of the National Energy Rules, on 2 June 2023 we have decided to approve Lumea’s access policy.

As required under the NER, we have included Lumea’s Riverina DNA Access Policy in the Register of Dedicated Network Assets and published a copy of the access policy on our [website](#).