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Dear Chris

### **AER Draft Decision - Electricity Network Service Provider Registration Exemption Guideline**

United Energy (UE) welcomes the opportunity to provide comments on the AER Draft Decision paper, Electricity Network Service Provider Registration Exemption guidelines and the Electricity Network Service Provider Registration Exemption Guideline.

UE provides the following comments on limited questions from the AER Draft Decision paper.

#### **Deemed classes of exemptions**

UE note that the AER states that no deemed exemption classes will cater for retail competition. Where access to full retail competition is to apply, the network exemption will need to be registrable (eg NR1 to NR3), not deemed. It would be useful if the AER clarified in the guideline that from the commencement of NECF an embedded network where there are 2<sup>nd</sup> tier children will need to meet a registrable category or seek an individual exemption. This is despite the exempt network meeting the description of a deemed exemption category.

#### ***Q1: Are the new deemed classes of exemption (NDO2 and NDO5) clear and easily interpreted?***

UE understand that NDO5 was introduced to support railway embedded networks and NDO2 was introduced to support Broadcasting Australia. It would be beneficial if NDO2 was described as television and radio services and NDO2 referred to rail networks. These descriptions may be more easily understood by a larger group of people.



The description of shared broadcasting and communications is unclear. It could be construed that it only included mobile phone towers with supply shared with a number of phone carriers. An alternate view is that NDO2 could include for example churches onselling to mobile phone carriers who use the church spire as a repeater tower.

### *Electric vehicle charging stations*

The guideline states that 'For class NDO3 the conditions set out in section 5(3) and 6 apply.'<sup>1</sup> However, in Condition 6, the paper suggests that if no agreement has been reached between the network owner/operator and the proprietor of the charging facility 'then the conditions set out in sections 5, 7, 9 and 10 are to apply.'<sup>2</sup> The latter statement in the guideline suggests that the AER consider the minimum conditions for NDO3 to be all of condition 5, 6, 7, 9 and 10.

This is confusing in light of the NDO3 being an exemption category with no equivalent on-selling category and also not being applicable where there is retail competition.

The categories NDO apply to network deemed other categories that have no equivalent on-selling arrangements. Yet condition 6 relating to vehicle charging suggests that there is an on-selling arrangement where there is a private network and the charging station is owned by another party. If this is the case, which on-selling category applies?

### **Registrable classes of exemption**

#### ***Q2: Are the new registrable classes of exemption (NRO3 and NRO4) clear and easily interpreted?***

The AER has introduced two new categories NRO3 relating to ongoing supply in mining or primary production facilities and residential/commercial activities in areas with restricted access to NEM supply.

NRO4 has been introduced as a catch all of mixed industrial/commercial without generation. This appears to be an extremely broad category

### **General Conditions**

#### ***Q3: Do stakeholders agree with the amendments to the General Conditions?***

Condition 5(3) places a significant reliance on technical and safety matters continuing to be dealt with by the jurisdiction. UE is not aware of how existing conditions on embedded networks and embedded generators which are contained in the Victorian Electricity Distribution Code or other jurisdictional instruments will transition under NECF. The revised jurisdictional arrangements may not continue the existing obligations in full or be effective on all parties (network owner, network operator or any party or agent of the network owner or operator who has control of the network) exempt from the NER.

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<sup>1</sup> AER, Electricity Network Service Provider Registration Exemption Guideline, 14 Oct 2011, page 5

<sup>2</sup> **opcit**, page 12



Condition 5(4) refers to a generation source needing to shut down (or island) in the event of loss of supply from the NEM. The National Electricity Market may have supply however a local feeder may have lost supply due to a high voltage injection. It is preferable to refer to loss of supply from the LNSP (local network service provider) or RNSP (registered network service provider) rather than the NEM.

UE welcome Condition 5(9) where the AER can use the register of exempt networks to contact exempt network providers to notify them of any changed conditions or the revocation or amendment to any exemption class. UE consider that this is a practical, effective approach to notifying exempt operators of any changed arrangements and would support registration of all exempt networks rather than allowing continuation of deemed exemption. This condition will be ineffective for deemed exemption classes, yet these are probably the exemption classes most in need of any updates.

***Q4: Is it clear to stakeholders that the network Guideline does not exempt private networks from the application of jurisdictional regulations?***

The AER has made it clear that the jurisdictional safety/technical arrangements should apply to exempt private networks. Refer to our comments on Question 3.

***Q6: Do stakeholders have any comments on the proposed transitional arrangements following a transfer of ownership of a private network?***

It would be useful to clarify whether similar provisions should be in place regarding registrable exemptions, ie a party who no longer owns or operates a private network removes their registration details from the AER register and the new owner/operator/agent registers within the proposed 10 business days also.

Please feel free to call me on (03) 8846 9856 if you wish to discuss any aspects of this response.

Yours sincerely

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