

Article Information

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Wait your turn! Renewable projects at risk of “one at a time” sequencing protocols for some new connections

An as yet unpublished rule change proposal by AEMO would enable it to elect an alternate connection process for certain parts of the NEM involving sequential or combined assessment of connection applications.

One of the greatest risks to the delivery and bankability of large scale renewable energy projects is grid connection. In recent years, new renewables projects have been plagued by delays in obtaining approval of generator performance standards (GPS) and system strength impact assessments which must account for existing generation and other relevant projects.

In some areas of the NEM there is also the issue of multiple projects and connection applications progressing in parallel. There are no express provisions in the NER addressing the procedure for NSPs where two connection agreements are finalised and ready to be signed at the same point in time. As a practical matter, once a connection agreement is entered into the modelling supporting any subsequent connection agreement would no longer be accurate and would need to be revised to comply with rule 5.3.4A.

While not perfect, this process tends to work in practice and allows multiple connections to be progressed simultaneously with a natural incentive on projects to finalise connection arrangements quickly to avoid the impact and delays associated with remodelling if other parties connect in the meantime.

It has been reported that at an industry briefing on 28 May 2021 AEMO unveiled a draft rule change proposal which, if adopted, would see some new connections subject to a protocol known as “sequencing”. If implemented this would mean, that at least on certain parts of the NEM, only one new connection would be assessed at a time.

The concept of sequencing is not new. In fact, when congestion of connection applications became an issue in the West Murray Zone in north west Victoria and South West New South Wales in 2020 a similar procedure was implemented by AEMO.

The draft rule change proposal contemplates amendment to the NER to set out conditions under which a departure from the current practice of parallel connection assessments would be permitted. Where those conditions exist in a location, AEMO would be able, on one months’ notice, to provide details of how applications in that location will be progressed under an alternate connections process in which the current regulated time limits will not apply. The NER amendment in the draft rule change proposal contemplates that the alternate connections process might involve sequential or combined assessment of multiple connection applications.

This draft rule change proposal has not yet been published and a subsequent press release issued on 31 May 2021 makes no mention of sequencing but does refer to the joint Connections Reform Initiative launched by AEMO and the Clean Energy Council (CEC). The aim of the initiative is stated to be the further improvement of the connection process for renewable and hybrid projects in the NEM.

As part of the Connections Reform Initiative, several Solution Exploration Workshops are to take place on 4 June 2021 on the topics of:

- Appropriate data and information symmetry
- Confidence in when a project is bankable

- Complications and delays during registration and commissioning
- Anticipating the system of the future, and building for it today
- Availability of skills and capability to support all parties across all stages of the process (i.e. the human capital to make this happen)

So what will this mean for new projects? Some think that a sequencing protocol would provide a more orderly connection process with greater acknowledgement of the interrelated nature of projects and impact on the network. Others see this as simply another source of connection delay and a further source of uncertainty impacting project bankability.