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TRANSMISSION ACCESS REFORM CONSULTATION PAPER RELEASED

The Energy Security Board (ESB) has released a consultation paper on transmission access reform, seeking feedback on four shortlisted models that have been developed through significant stakeholder consultation.

Energy Ministers tasked the ESB with the detailed design of a reformed transmission access regime that delivers coordinated transmission and generation investment across the NEM, as part of the broader post-2025 suite of reforms.

The consultation paper sets out four shortlisted models, including:

- In investment timeframes:
 - **Congestion zones with connection fees:** Investors receive clear up-front signals about which network locations have available hosting capacity,
 - **Transmission queue:** Parties that connect in uncongested parts of the grid receive priority rights.
- In operational timeframes:
 - **Congestion Management Model (CMM) with universal rebates:** Single, combined-bid energy and congestion market, and
 - **Congestion relief market (CRM):** Changes to the market and settlements to provide separate revenue streams for energy and congestion relief.

ESB Chair Anna Collyer said the energy transition can be delivered more cheaply and quickly if new generators and storage connect in places that facilitate the full benefit of resources coming into the national power system.

“As we transition to more variable renewables and flexible storage in the national energy market, congestion will increase,” Ms Collyer said.

“If we do not have the right framework in place to encourage coordinated access, we will end up with a larger fleet of generation, storage and transmission assets than necessary to achieve the same decarbonisation and reliability outcomes – which is not good for consumers, investors or operators.

“Our access reform work seeks to support investment certainty, manage access risk, boost operational efficiency and incentivise technologies that alleviate congestion and provide a stable foundation for investment in State REZ schemes.

“We anticipate that the final model will be a hybrid that incorporates one of the investment models and one of the operational models set out in the consultation paper, to ensure the framework meets the brief of delivering value for money, appropriate locational signals and sufficient flexibility for jurisdictional differences.”

In assessing preferred models put forward in response to the project initiation paper published in November 2021, the ESB considered the key challenges and trade-offs associated with each model and particularly looked at how the models could support and strengthen State REZ schemes to ensure coordination across the NEM.

The ESB will continue working with stakeholders to develop a preferred model to recommend to Ministers by the end of the year. Stakeholders can register to attend an information forum on 26 May 2022, with submissions on the paper due by 10 June 2022.

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