

Congestion Technical working group – Investment timeframes sub group

Timetable for consideration of key outstanding questions

Key to colour coding

<ul style="list-style-type: none"> Initial discussion at 28 July TWG Working papers to be discussed at 1 September TWG 	<ul style="list-style-type: none"> Initial discussion at 18 August TWG Working papers to be discussed at 15 September TWG 	<ul style="list-style-type: none"> Initial discussion at 15 September TWG Working papers to be discussed at 29 September TWG (where necessary) 	<ul style="list-style-type: none"> Matter to be considered once we have further clarity re model.* * <i>We are exploring options for item 15.</i>
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Table 1 Key outstanding questions – investment timeframe models

#	Category	Key outstanding questions
Connection fees		
1.	Nature of incentive – connection fees	<ul style="list-style-type: none"> In what circumstances do connection fees apply? What costs are we trying to reflect in the connection fee? For instance, is it the marginal cost of congestion at the location? Is it necessary to distinguish between efficient and inefficient congestion and if so how? How would the fee be calculated? Should we pre-define connection fees or specify a process which can be applied at the time connection is finalised?
2.	Efficient retirement decisions - connection fees	<ul style="list-style-type: none"> What is the appropriate timeframe before an end-of-life generator's access is excluded from connection fee studies? Should the reduction in access (for fee-setting purposes) be scaled down gradually over time?
Transmission queue		
3.	Nature of incentive – transmission queue	<ul style="list-style-type: none"> What is the nature of the right conferred by the queue number?
4.	Efficient retirement decisions - transmission queue	<ul style="list-style-type: none"> What is the appropriate duration for queue rights? How do queue rights interact with the notice of closure provisions? Should queue rights be tradeable?
Shared questions		

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5.	Calculations used to quantify available transmission hosting capacity	<ul style="list-style-type: none"> How do we quantify the efficient level of congestion for the purposes of defining and classifying congestion zones (i.e. where transmission hosting capacity is available)? Should we define congestion based on physical or financial impacts? How do we take into account the impact of diverse output profiles when determining where, and for how much generation capacity, transmission hosting capacity is available? How do we treat storage and load in calculating available network hosting capacity? How do we take into account network interdependencies when determining where, and for how much generation capacity, transmission hosting capacity is available? If boundaries are needed, how do we specify the boundaries of a congestion zone or REZ?
6.	Governance of process used to quantify transmission hosting capacity	<ul style="list-style-type: none"> Is there a need for guidelines to describe process to calculate forecast congestion, and if so, who prepares them? Who is responsible for forecasting congestion? In what form is forecast congestion information made available? How often are congestion forecasts updated?
7.	Payment of fees/auction bids	<ul style="list-style-type: none"> What arrangements would apply to the payment of (a) connection fees or (b) successful auction bids?
8.	Process for allocating transmission queue positions	<ul style="list-style-type: none"> What is the process by which prospective market participants can apply to receive (a) a queue number or (b) a quote for a connection fee? What threshold requirements (such as prudential requirements) must be met in order for a party to secure their position in the queue (either for the purpose of locking in a connection fee or securing a queue right)? How does the access regime interact with the proposed batching arrangements for new connections? Should queue positions/fee levels be forfeited if a project fails to progress?
9.	Parties subject to the access arrangements	<ul style="list-style-type: none"> Who is subject to the access arrangement? Eg scheduled, semi-scheduled, non-scheduled? Are DNSP connected-generators included? If so, how? What happens to dual function assets? What happens to modified connections?
10.	Governance	<ul style="list-style-type: none"> Who is responsible for allocating queue numbers/setting fees? What is the role of State planning bodies?
11.	Use of revenue	<ul style="list-style-type: none"> What happens to revenue generated through the sale of access entitlements or from connection fees?

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12.	Treatment of pre-existing generators	<ul style="list-style-type: none"> At what point should an in-train development be treated as an incumbent? How should changes to existing connections be treated for the purpose of receiving grandfathered rights? What date do the new arrangements take effect?
13.	Maximising hosting capacity of available transmission	<ul style="list-style-type: none"> How does the model maximise the potential hosting capacity of the network by encouraging investments that enhance hosting capacity? Should generators have the opportunity to pay for, and receive, enhanced access (or reduced connection fees) in return for funding incremental enhancements to the shred transmission network? If so, should we establish a reimbursement scheme so that subsequent connecting generators can contribute to the cost? Should TNSPs be subject to an incentive scheme to incentivise them to deliver an efficient level of transmission hosting capacity? If so, what form should the scheme take? Is it necessary to review the MIC component of the STPIS?
14.	Signals for congestion relief	<ul style="list-style-type: none"> How does the model create incentives for storage and DRP to locate where they provide the most benefits to the system? Given that storage can both worsen or alleviate congestion, depending on whether it charges or discharges, are rules required ensure that storage and load do not operate in ways that worsen congestion?
15.	Modelling of impacts	<ul style="list-style-type: none"> How are different market participants affected by the model under different design choices?
16.	Integrating with jurisdictional schemes	<ul style="list-style-type: none"> How does the model support jurisdictional REZ schemes? Are there any details of the REZ schemes that might affect the design/operation of the model options?
17.	Interaction with other schemes	<p>How does the model interact with:</p> <ul style="list-style-type: none"> dedicated network assets? system strength arrangements? Integrating Energy Storage Rule change? capacity mechanism design?
18.	Implementation	<ul style="list-style-type: none"> How costly and complex would it be to implement the model(s)? How long will it take to implement the model?
19.	Transitional arrangements	What transitional arrangements are required?
20.	Cost benefit analysis	What costs and benefits will be modelled as part of the options assessment?

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