

Jemena Electricity Networks (Vic) Ltd

Negotiated Connection Process (Load Connections)

Public

1 July 2016



Page intentionally blank

TABLE OF CONTENTS

Glossary iv

Abbreviations vi

1. Introduction 1

 1.1 Purpose of this document 1

 1.2 Related information 1

2. Negotiated connections 2

 2.1 Right to negotiate 2

 2.2 Negotiation framework 2

 2.3 Connection application fee 2

 2.4 Connection charges 3

3. Connection process 4

 3.1 Preliminary enquiry 5

 3.2 investigation and feasibility studies 5

 3.3 Connection application 6

 3.4 Connection Offer 6

 3.5 Connection work and energisation 7

GLOSSARY

augmentation means work to enlarge the *distribution system* or to increase its capacity to distribute electricity.

basic connection service means a *connection service* related to a *connection* (or a proposed *connection*) between a distribution system and a *retail customer's* premises (excluding a *non-registered embedded generator's* premises) in the following circumstances:

- (a) either:
 - (1) the *retail customer* is typical of a significant class of *retail customers* who have sought, or are likely to seek, the service; or
 - (2) the *retail customer* is, or proposes to become, a *micro-embedded generator*; and
- (b) the provision of the service involves minimal or no *augmentation* of the shared distribution network; and
- (c) a *model standing offer* has been approved by the AER for providing that service as a *basic connection service*.

connection means a physical link between a *distribution system* and a *retail customer's* premises to allow the flow of electricity.

connection alteration means an alteration to an existing *connection* including an addition, upgrade, *extension*, expansion, *augmentation* or any other kind of alteration.

connection applicant means an applicant for a *connection service* of one of the following categories:

- (a) *retail customer*;
- (b) retailer or other person acting on behalf of a *retail customer*; or
- (c) *real estate developer*.

connection assets means those components of a transmission or *distribution system* which are used to provide *connection services*.

connection charge means a charge imposed by Jemena for a *connection service* in accordance with Jemena's Connection Policy.

connection offer

means an offer by Jemena to enter into a connection contract with:

- (a) a *retail customer*; or
- (b) a *real estate developer*.

connection service means either or both of the following:

- (a) a service relating to a new *connection* for premises;
- (b) a service relating to a *connection alteration* for premises.

distribution system means a distribution network, together with the *connection assets* associated with the distribution network, which is connected to another transmission or distribution system. Connection assets alone do not constitute a distribution system.

embedded generator means a person that owns, controls or operates an *embedded generating unit*.

embedded generator connection service means a *connection service* for the connection of *embedded generator*.

extension means an extension of the distribution network (owned, controlled and operated by Jemena) to provide a *connection*.

Micro embedded generator means a *retail customer* who operates, or proposes to operate, an embedded generating unit for which a *micro embedded generator connection* is appropriate.

model standing offer means a document approved by the AER as a *model standing offer* to provide *basic connection services*.

negotiated connection contract means a connection contract negotiated between Jemena and a *connection applicant* under rule 5A.C of the NER.

new connection means a *connection* established or to be established, in accordance with Chapter 5A of the NER and applicable energy laws, where there is no existing connection.

non-registered embedded generator means an embedded generator that is neither a *micro embedded generator* nor a registered participant in the National Electricity Market under the NER.

premises connection assets means the components of a distribution system used to provide *connection services*.

real estate developer means the Company, legal entity or person(s) undertaking *real estate development*.

real estate development means the commercial development of land including its development in one or more of the following ways:

- a) subdivision;
- b) the construction of commercial or industrial premises (or both);
- c) the construction of multiple new residential premises.

residential customer means a retail customer whose connection service is used for residential purposes.

retail customer means a person to whom electricity is sold by a retailer, and supplied in respect of connection points, for the premises of the person, and it also includes a *non-registered embedded generator* and a *micro embedded generator*.

standard connection service means a *connection service* (other than a basic connection service) for a particular class (or sub-class) of connection applicant and for which a model standing offer has been approved by the AER.

ABBREVIATIONS

DUoS	Distribution Use of System charges
NER	National Electricity Rules
NMI	National Meter Identifier
URD	Underground Residential Development

1. INTRODUCTION

1.1 PURPOSE OF THIS DOCUMENT

This document has been developed to assist customers who require a *negotiated connection contract* for either a *new connection* or a *connection alteration* at their premises. The process described in this document applies to those customers who are eligible and elect to use the negotiated connection process outlined in Chapter 5A of the National Electricity Rules (NER). Typically this applies to negotiated *connection services* for load connection, including:

- Small load connections including *connection alterations* where the connection services do not meet the conditions of Jemena's *basic connection services* (e.g. small commercial properties, multi-tenancy residential and/or commercial premises), and elective undergrounding—changing of an existing overhead electricity supply to an underground supply. These types of connection are referred to as quoted connection services; and
- Large commercial or industrial premises (e.g. manufacturer, shopping centre, university, hospital) and *real estate developments* / new land subdivision (residential or commercial), where these types of connections are referred to as connections requiring network augmentation.

However *connection applicants* who require a *basic connection service* may also elect to negotiate a *negotiated connection contract* under this process.

The purpose of this document is to:

- inform customers of their right to negotiate with Jemena a *negotiated connection contract* for load *connection services*;
- provide guidance to customers on the *negotiated connection* process; and
- outline the information to be provided by the customer and the information that Jemena will make available to the customer at the enquiry and application stages of the connection process;

Note: that the negotiated connection process for embedded generator connection services is covered in a separate document.

1.2 RELATED INFORMATION

This document should be read in conjunction with:

- Jemena Electricity Networks Connection Policy; and,
- Jemena Electricity Networks Embedded Generation Negotiated Connection Process.

2. NEGOTIATED CONNECTIONS

2.1 RIGHT TO NEGOTIATE

A *connection applicant* has the right to negotiate a *negotiated connection contract* with Jemena for a *connection service* including a *basic connection service* even though Jemena has a *model standing offer* for *basic connection services*. Jemena does not provide *standard connection services*.

2.2 NEGOTIATION FRAMEWORK

Jemena's negotiation framework for a *negotiated connection contract* is set out below:

- Jemena and the *connection applicant* must negotiate in good faith.
- The *connection applicant* must provide Jemena with information it reasonably requires to negotiate on an informed basis.
- Jemena will provide the *connection applicant* with any information they reasonably require in order to negotiate on an informed basis.
- If considered necessary, Jemena may consult with other users of the distribution network who may be adversely affected by the proposed *new connection* or *connection alteration*.
- When assessing the application Jemena will determine:
 - the technical requirements for the *new connection* or *connection alteration*;
 - the extent and cost of any necessary *augmentation* of the *distribution system*;
 - any consequent changes to the distribution use of system (DUoS) service charge; and
 - any possible material effect of the *new connection* or *connection alteration* on the network power transfer capability and/or power quality of our distribution network.
- Jemena will make reasonable endeavours to make a connection offer that complies with the connection applicant's reasonable requirements.
- Connection offers will be made in accordance with Jemena's connection policy.

2.3 CONNECTION APPLICATION FEE

The *connection applicant* is required to pay a non-refundable connection application fee at the time the *connection applicant* submits the connection application. The application fee is to cover the reasonable costs of all work anticipated to be incurred by Jemena (and, if applicable, any other costs anticipated to be incurred by other Network Service Providers) in responding to any information the applicant reasonably requires in order to negotiate on an informed basis, assessing the application and making the associated *connection offer*. It includes, but is not limited to the following:

- Review of technical information;
- Attendance at meetings, discussions etc. as required;

- Analysis of possible network impacts including assessment of any network *augmentation* requirements;
- Prepare scope of work, design and estimate; and
- Preparation of the *connection offer*;

The application fee will be commensurate with the size and complexity of the negotiated *connection service*. As it will vary between connection projects, Jemena will advise the *connection applicant* of the connection fee amount at the time of the response to connection enquiry.

2.4 CONNECTION CHARGES

Connection applicants should refer to Jemena's Connection Policy for information pertaining to *connection charges*.

3. CONNECTION PROCESS

The negotiated connection process for connection of embedded generators to the Jemena's distribution network is summarised in Table 3–1 and described in the following sections.

Table 3–1: Negotiated connection process for load connections

Steps	Event	Timeframe
Step 1 Preliminary Enquiry Phase	Receipt of enquiry about negotiated connection service	A
	Response to enquiry to enable connection applicant to negotiate on an informed basis	A + 5 business days
	Investigation and feasibility studies (Optional)	As soon as practicable after A
Step 2 Application Phase	Submission of complete connection application.	B
	Advise connection applicant that connection is a negotiated connection type or connection applicant chooses to negotiate connection.	B + 10 business days
	(Optional) Requests additional information	B + 20 business days
	Connection applicant responds	C
	Provide the connection applicant with information the connection applicant reasonably requires in order to negotiate on an informed basis.	As soon as practicable after B, or if applicable, C
Step 3 Offer Phase	Jemena will assess your application and issue a firm connection offer.	B + 65 business days, or if applicable, C + 65 business days (=D)
	Connection offer remains open for acceptance (unless extended by agreement)	D + 20 business days
Step 4 Construction Phase	Connection Works	Specified in the connection offer

3.1 PRELIMINARY ENQUIRY

To initiate a *negotiated connection service*, you will need to contact Network Connections:

Network Connections
Jemena
PO Box 16182 Melbourne VIC 3000
Phone: 1300 131 871
Email: network.connections@jemena.com.au

The information to be provided will vary depending on the connection service but may include:

- *Connection applicant* details;
- Customer details;
- Supply address details;
- National Meter Identifier (NMI) if it's an existing connection;
- Supply requirements including supply voltage, number of phases and estimated maximum demand;

Jemena will provide a response to connection enquiries within 5 business days (or as otherwise agreed). In responding to an enquiry, Jemena will provide an indication of the process to be followed for any subsequent *connection application* made. Jemena will also include in our response a schedule of information that must be provided with the *connection application* and provide any network information that you reasonably require in order to prepare a connection application.

3.2 INVESTIGATION AND FEASIBILITY STUDIES

Prior to submitting a *connection application* you may engage Jemena to undertake a site-specific connection feasibility study. This study can be tailored to meet your specific requirements, and may include (but not limited to) the following:

- Assessment of project feasibility;
- Network capacity assessment;
- Analysis of various connection options;
- Load flow, fault level and power quality studies;
- Advice on whether network *augmentation* is required to accommodate the proposed connection;
- High level cost estimates for various connection options; and
- Indicative delivery timeframes.

Feasibility studies will be undertaken on a fee for service basis and you will be provided with a quote before proceeding. Jemena will proceed with the agreed feasibility study upon receipt of payment.

3.3 CONNECTION APPLICATION

After considering the information provided by Jemena in the response to the connection enquiry, the *connection applicant* may make a *connection application* for the network connection service by submitting a completed connection application form. Jemena's application forms for *negotiated connection services* include:

- New or increased supply (> 100 Amps);
- Underground Residential Development (URD);
- Relocation or alteration of Jemena assets;
- Underground electricity supply (pit to Service T);
- Underground electricity supply (new connection);

The *connection applicant* must pay the application fee and include the information requested by Jemena. The information to be provided with the connection application will vary depending on the connection service.

Upon receipt of a connection application Jemena will undertake a review of the information provided to determine completeness. You will be notified within 20 business days if Jemena requires any additional information to assess the application.

3.4 CONNECTION OFFER

Jemena will use its best endeavours to make a *connection offer* to you within 65 business days of the date of receipt of the complete *connection application*. This *connection offer* will be in the form of executable agreements related to connection works (if required) and to ongoing supply services including, but not limited to, the following:

- Details of the connection point, the maximum capacity of the connection and the *connection assets* required at the connection point;
- Details of the premises connection assets and additional equipment to be installed on the premises and responsibility for undertaking work;
- Scope and cost of network extension and/or *augmentation* works (if required);
- Time frame to establish connection;
- Metering requirements;
- Customer's technical and safety obligations;
- Customer's monetary obligations including billing arrangements and any security to be provided by the customer; and
- Commercial terms and conditions of contract.

The *connection offer* will remain open for acceptance for 20 business days from the date of the offer and then lapses unless the period for acceptance is extended by agreement between Jemena and the *connection applicant*.

3.5 CONNECTION WORK AND ENERGISATION

Depending on your chosen approach to the contestable connection services (refer to our Connection Policy), after receiving your payment for connection charges, Jemena will either undertake all the design and construction work required to establish the connection, or a Jemena project officer will issue the relevant specification to you so that you can contract for design and construction to be performed by a Jemena approved external contractor.

Jemena will use its best endeavours to ensure that *connection* work is carried out within the time frame specified in the *connection offer*. However, Jemena is not obliged to continue with connection work in cases where the *connection applicant* fails to comply with the conditions of the connection offer including, but not limited to, any of the following:

- Failure to pay connection charges;
- Failure to comply with technical or safety requirement;
- Failure to complete work to be carried out on connection applicant's premises; or
- Failure to provide safe and unhindered access to the connection applicant's premises.

Furthermore, Jemena is not required to energise a new connection unless a request is submitted by a retailer or Jemena is otherwise satisfied that there is a relevant contract with a retailer in relation to the premises.