



Use of information and contestability fact sheet

Purpose of this document

This document is intended to provide *Connection Applicants* with a high level introduction to the concepts of “contestability” and “use of information” contained in Chapter 5 of the National Electricity Rules (**NER**).

In this document, italicised terms have the meanings given to them in Chapter 10 of the NER.

Types of *transmission services*

Chapter 5 of the NER contains a process that is required to be followed by *Connection Applicants* and ElectraNet Pty Limited (**ElectraNet**) (as the *Primary Transmission Network Service Provider* in South Australia) when a *Connection Applicant* seeks to connect into the South Australian *transmission network*.

A high level summary of the Chapter 5 *connection* process can be found on our website, along with other useful information on the *connection* process and the support that ElectraNet can provide.

Among other things, Chapter 5 classifies particular *transmission services* required for a *connection* into the South Australian *transmission network* as either:

- (a) “non-contestable”, that is, they may only be provided by ElectraNet as the *Primary Transmission Network Service Provider*; or
- (b) “contestable”, that is, they may be provided by ElectraNet or entities other than ElectraNet, subject to the requirements of Chapter 5.

Contestable and non-contestable *transmission services*

As set out in r5.2A.4 of the NER, contestable *transmission services* include:

- (a) design, construction and/or ownership of *contestable IUSA components* (e.g. *substations* etc.); and
- (b) design, construction and/or ownership of *dedicated connection assets (DCAs)* (e.g. *dedicated transmission lines* etc.).

Contestable IUSA components include, where the capital cost of the required *identified user shared assets (IUSAs)* for the *connection* are reasonably expected to be more than A\$10,000,000, all of the required *identified user shared assets* for the *connection* other than *non-contestable IUSA components*).

Non-contestable IUSA components include:

- (a) where the capital cost of the required IUSAs for the *connection* are reasonably expected to be

A\$10,000,000 or less, all of the required IUSAs for the *connection*; and

- (b) where the capital cost of the required IUSAs for the *connection* are reasonably expected to be more than A\$10,000,000:
 - (i) cut-in works into the existing shared *transmission network* (and the design, construction/ownership of related assets); and
 - (ii) supervisory control and data acquisition (SCADA) systems and protection/control systems forming part of the *transmission network*.

Further, r5.2A.4(c) of the NER provides that certain additional IUSA components on or near existing (brownfield) assets will be *non-contestable IUSA components* despite the general statements made above.

Dedicated connection assets include assets such as *transmission lines* which are used exclusively to connect the facility of a *Connection Applicant* (or its related *identified user group*) into the *transmission network* and can be electrically isolated from the *transmission network* without affecting the provision of *shared transmission services* to other users of the *transmission network* (i.e. persons who are not members of the relevant *identified user group*).

See the Attachment to this document for details of the boundaries between IUSAs and DCAs.

Connection Applicants’ options regarding contestability

Once a *Connection Applicant* has provided a *connection* enquiry to ElectraNet and received a *connection* enquiry response, it will need to make a decision as to whether it would like the contestable *transmission services* specified in the *connection* enquiry response to be provided by:

- (a) ElectraNet, as *Primary Transmission Network Service Provider*; or
- (b) another entity/contractor of the *Connection Applicant*.

If the *Connection Applicant* elects to use a contractor other than ElectraNet to design, build or own any *contestable IUSA components*, the *Connection Applicant* must include a detailed design for the *contestable IUSA components* in its *connection application* which complies with the functional specification for such components provided by ElectraNet in the *connection* enquiry response phase.

Because Chapter 5 requires a detailed design for any *contestable IUSA components* which are to be designed/constructed by an entity other than ElectraNet to be provided to ElectraNet with the *connection application*, the decision as to whether the required contestable *transmission services* will be provided by ElectraNet or another entity/contractor needs to be made by the *Connection Applicant* well in advance of a *connection application* being lodged to ensure a timely *connection*.

Use of information rule

r5.3.8(a1) of the NER provides that a *Primary Transmission Network Service Provider* must not use data and information it receives from a *Connection Applicant* in relation to its provision of non-contestable *transmission services* (including, but not limited to, the detailed design mentioned in the above paragraph) for the purpose of providing a bid for, or in order to negotiate the terms of, any contestable *transmission services* to be provided by the *Primary Transmission Network Service Provider* in current or future *connection* processes, without the *Connection Applicant's* consent.

ElectraNet has systems and procedures in place to remain compliant with r5.3.8(a1) at all times and as such, it will not use any information provided to it by a *Connection Applicant* as part of a Chapter 5 *connections* process in order to prepare a bid for, or negotiate the terms of, contestable *transmission services* in current or future Chapter 5 *connection* processes unless it has first obtained the *Connection Applicant's* consent. Such consent may be requested by ElectraNet during the connection process.

Further information

It is recommended by ElectraNet that all *Connection Applicants* obtain their own independent legal advice in relation to the matters contained in Chapter 5 of the NER and this document.

For further information on contestability and the use of information rule, please see the Australian Energy Markets Commission (**AEMC**) website for explanatory memoranda in relation to changes made to Chapter 5 of the NER which became effective on 1 July 2018. The AEMC website can be found here: <https://www.aemc.gov.au/>.

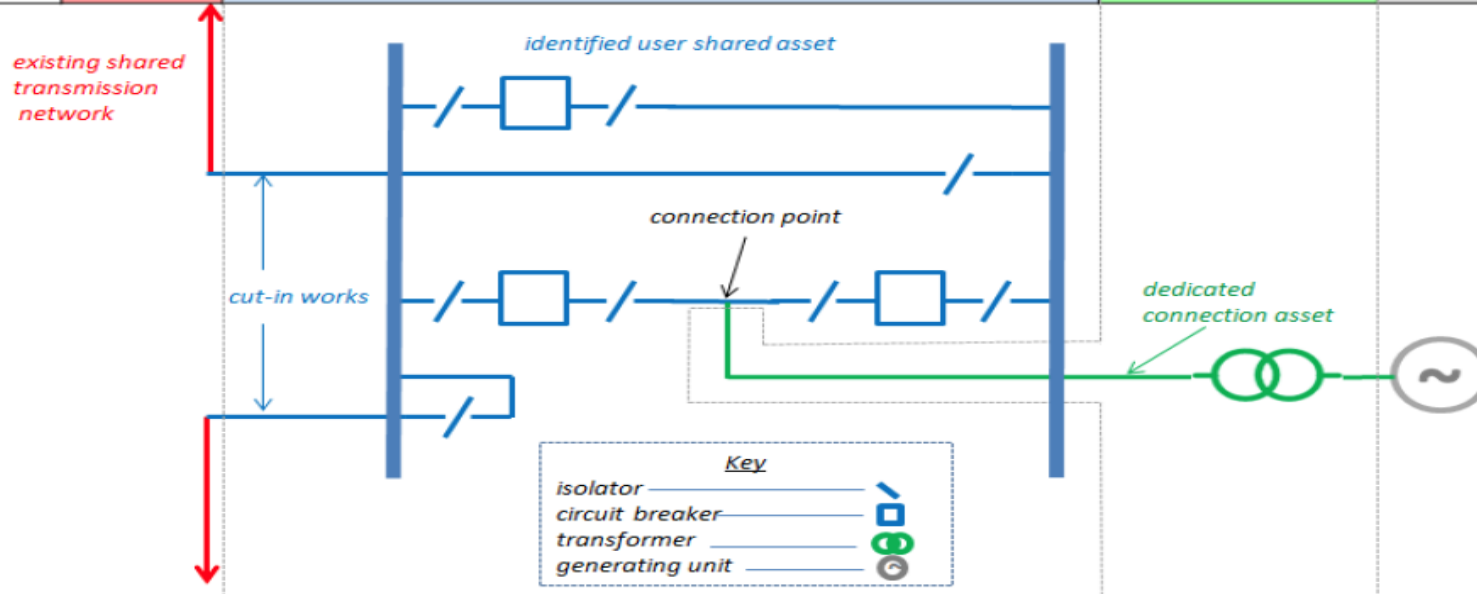
Also, please feel free to contact our non-contestable connections team for further information at the following email address: connections@electranet.com.au.

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Attachment – Boundaries Between IUSAs and DCAs¹

Services	Shared transmission network	Identified user shared asset (part of shared transmission network)	Dedicated connection assets	Connecting party's facilities
Detailed design, construction and ownership	Primary TNSP (as a prescribed service)	If it meets contestability criteria: Connecting party (as a non-regulated transmission service)	Connecting party (as a non-regulated transmission service)	Connecting party, e.g. a generator (as a non-regulated transmission service)
Functional specification, cut-in works operation, maintenance and control		If it does not meet contestability criteria: Primary TNSP (as a negotiated transmission service)		
		Primary TNSP (as a negotiated transmission service)		



¹ Diagram has been taken from AEMC Transmission and Connection Planning Arrangements – Final Determination – 23 May 2017.