



11 November 2021

Transmission via: Pilbara@horizonpower.com.au

PNAC CONSULTATION DOCUMENTS DRAFT DECISION

Please find attached Alinta Energy's submission on Horizon Power's draft decision.

Please contact me on jacinda.papps@alintaenergy.com.au or 0417 065 955 if you would like to discuss this submission in further detail.

Yours sincerely

Jacinda Papps

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Item/Ref.	Alinta comment/ issue	Alinta Recommendation	HP response	Alinta Energy further comment
31/Section 11.1	<p>Alinta Energy considers that it is unreasonable for the user to be liable for the cost where of a new load connects elsewhere in the network and the studies need to be repeated.</p>	<p>Insert a 'best endeavours' requirement for the user to be notified where a change in assumptions is likely so that the user can decide whether to either:</p> <ul style="list-style-type: none"> execute the agreement prior to when the assumptions change; or progress in light of the increased cost. 	<p>The current draft Queuing Policy states that applicants do not have certainty in their connection solution (i.e. assumptions used in the studies will only be 'locked in' and included Horizon Power's base case model for assessment of subsequent applications) (lock-in assumptions) until the parties have entered into the access contract, connection works contract and the applicant pay the applicable guarantees (lock-in on contract signing).</p> <p>Horizon Power has received feedback from Alinta (via the standard consultation process) and other applicants in relation to the draft Queuing Policy. After due consideration, Horizon Power intends to amend the Queuing Policy to also adopt Model 4 (reserve on payment of deposit) set out in Horizon Power's 2019 Queuing Policy Stakeholder Consultation Paper, which underwent public consultation in 2019. The key terms of the proposed Queuing Policy are set out in Appendix A (Amended Queuing Policy) of this "draft and final decision" document.</p> <p>Horizon Power are also seeking to increase transparency with applicants as to the potential impacts of concurrent applications to assist in the applicant's decision making process. The key changes to the provision of information are set out in Appendix B (Increased Transparency in Application Process) of this "draft and final decision" document.</p>	<p>Alinta Energy appreciates Horizon Power considering its feedback and devising ways for applicants to better manage the risk of needing to pay for new studies where competing applications cause the network assumptions to change.</p> <p>Alinta Energy broadly supports the proposed deposit mechanism but suggests one further amendment:</p> <ul style="list-style-type: none"> A decision should be made about whether an application needs to be referred to the ISO prior to the deposit being paid. This is to support the applicant managing the risk of paying the deposit only to have the terms of their access significantly altered by the ISO. <p>In addition, in relation to the provision of dynamic models - In Alinta Energy's experience, applicants may not be able to provide dynamic models of their facilities until long after the preliminary assessment phase. This is because OEMs normally won't allow access to their facility's model until after the applicant has committed to a procurement decision. Consequently, requiring the model before a deposit may result in many applicants not being able to use the deposit mechanism and manage their risk of being 'gazumped'.</p> <p>While Alinta Energy notes that Horizon Power states the models are required</p>

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				<p>to conduct dynamic studies for other applicants, it questions what would happen in the scenario where the applicant does not pay the deposit, deferring the need for the dynamic model.</p> <p><u>Proposed solution:</u></p> <p>Alinta Energy suggests that Horizon Power consider whether the dynamic model can be required later in the application process and after the deposit is paid.</p>
32/Section 11.4	<p>The User Access Guide states that Horizon Power will take all care to minimise the risk of disclosing confidential information about an applicant's project. However, where it is not possible to disclose the existence of a Competing Application and its potential impact on another applicant's connection without revealing confidential information to that other applicant, Horizon Power Pilbara Network Business must nonetheless disclose</p>	<p>Provide additional parameters around the circumstances when Horizon Power will disclose information about a competing application, including, but not limited to, the requirement to inform the applicant that its information may need to be disclosed. This notification should be done sufficiently prior to the disclosure to allow the applicant to respond to the notification.</p>	<p>Horizon Power notes that the definition of 'confidential information' under the PNAC is extremely wide. Although Alinta's recommendation seems reasonable, it will be difficult to manage within PNAC prescribed time constraints.</p> <p>Horizon Power proposes to amend the UAG (and any other applicable documentation) to state that, by submitting an application, the applicant agrees for the certain information to be shared with other subsequent applicants in order to increase transparency. At this stage, Horizon Power believes such information will be limited to the following:</p> <ul style="list-style-type: none"> • Size of connection; • Entry or exit service; • Location of connection which will be limited to either East Pilbara or West Pilbara; • Whether the connection is transmission or distribution connected. <p>The key changes to the provision of information are set out in Appendix B (Increased Transparency in Application Process) of this "draft and final decision" document</p>	<p>Alinta Energy appreciates Horizon Power considering its feedback and devising ways to protect confidential information within the boundaries of the PNAC time limitations.</p> <p>Alinta Energy considers that the proposed list of information that can be shared with other applicants seems appropriate. However, in noting this, Alinta Energy assumes that the amended UAG will specifically reference this list in relation to the applicant agreeing for certain information to be shared.</p>

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	those facts. Alinta Energy is concerned about the broad discretion Horizon Power may use regarding the potential disclosure of competing applications.			