

19 May 2010

Dr John Tamblyn
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Dr Tamblyn

Draft Rule Determination ERC0097 – National Electricity Amendment (Payments under Feed-in Schemes and Climate Change Funds) Rule 2010

Integral Energy appreciates the opportunity to comment on the AEMC's Draft Rule Determination on the Rule change proposed by ETSA Utilities for Payments under Feed-in Schemes and Climate Change Funds.

Integral Energy notes that the Commission has determined that that it should not make the Rule proposed by ETSA utilities and to make a more preferable Rule. Integral Energy supports the Draft Rule Determination as it will introduce an explicit mechanism for the recovery of the payments under feed-in schemes and climate change funds under the pricing provisions in Chapter 6 of the National Electricity Rules. In particular Integral Energy supports the proposed transitional provisions for NSW set out in the Draft Rule which clarify the existing provisions under the transitional Chapter 6 and which ensures the potential efficiency gains under the Draft Rule will be available to all DNSPs equally.

However, Integral Energy does not support the term "*approved jurisdictional scheme*" or that the role of a regulator is to determine whether schemes passed by State legislatures are jurisdictional schemes.

Without detracting from the jurisdictional scheme eligibility criteria in clause 6.18.7A(x) used by the AER to assess the appropriate mechanism for the recovery of costs under a jurisdictional scheme, Integral Energy submits that the Draft Rules be amended to clarify that the role of the AER is to determine which mechanism is to be applied for the recovery of costs based on the elements of a jurisdictional scheme, rather than determine whether the scheme is a jurisdictional scheme under clause 6.18.7A(l).

Should you have any questions in relation to this matter please contact me on telephone (02) 9853 4375.

Yours faithfully



Michael Martinson
Manager Network Regulation

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