

CENTRAL IRRIGATION TRUST

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Australian Energy Market Commission
PO Box A2449
Sydney NSW 1235

Reference ERC0191

CIT Submission on “National Electricity Amendment (Local Generation Network Credits) Rule 2015.

As an energy consumer in South Australian we feel let down by the current energy framework with total energy costs escalating at unsustainable levels and our power prices amongst the highest in the world. We believe that there are major issues with the regulatory system that need to be addressed to encourage economic growth in our region and state.

In our own experience we have investigated embedded generation both on site and remote to site but find little encouragement or enthusiasm from the South Australian Network Provider to assist with such developments. Due to space constraints at our pumping sites the remote embedded generation options are physically more attractive however there are no financial concessions from the DNSP for the consumption of any power we generate off site.

AEMO have illustrated 9 mechanisms to encourage embedded generation however in our case we have not encountered any true engagement by the network providers to explore these options with our company. A question that we pose and only AEMC/AEMO/AER have the data to answer is “how effective are the current 9 mechanism in developing embedded generation?”

Consequently CIT support such a rule change with the following comments.

- The rule change should incorporate both distribution and transmission cost savings.
- A third party, possibly the AER, should determine the cost savings as the current D/TNSPs have not shown an appetite for such change.
- The cost savings must then be achieved by the D/TNSP.
- The system should be simple and cost efficient to implement and the savings not consumed by complex processes.
- The changes should be cost neutral so that those who are unable to embed any generation are not charged higher prices to accommodate the scheme.

If you would like any further information please feel free to contact me.

Yours Sincerely,

Gavin McMahon
Chief Executive Officer