

20 March 2018

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

Locked Bag 14051  
Melbourne City Mail Centre  
Victoria 8001 Australia  
T: 1300 360 795  
[www.ausnetservices.com.au](http://www.ausnetservices.com.au)

Via website: [www.aemc.gov.au](http://www.aemc.gov.au)

Dear John

### **Implementation of Demand Management Incentive Scheme**

AusNet Services welcomes the opportunity to provide a submission on this matter. AusNet Services strongly supported the development of the AER's Demand Management Incentive Scheme, as it provides distribution businesses with an incentive to undertake efficient expenditure on non-network options relating to demand management.

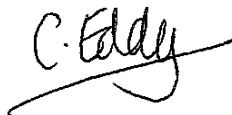
The Scheme will provide greater certainty for distributors committing to demand management projects, which will encourage networks to adopt demand management solutions as an alternative to network investment, where this is an efficient solution. As the cost uplifts are capped at the net benefits delivered to consumers, consumers will be no worse off as a result of a network initiating a demand management project under this scheme.

The early application of the Scheme will enable the benefits of the scheme to be realised as soon as is practicable. If the Scheme were not able to apply earlier than the start of the next regulatory period, AusNet Services' customers would not benefit until 2021. There is no good reason for such a delay to occur.

For the reasons above, AusNet Services strongly supports the AER's rule change request proceeding as a non-controversial rule change which should enable the scheme to apply to AusNet Services by 1 January 2019.

Please contact me on 03 9695 6309 if you have any questions about this submission.

Sincerely,



Charlotte Eddy  
Manager Economic Regulation  
**AusNet Services**