

11 September 2019

ERC0247

Submitted <https://www.aemc.gov.au/contact-us/lodge-submission>

Dear Sir/Madam,

Re: Consultation – Draft Wholesale Demand Response Mechanism Rule 2019

Brickworks Limited (“Brickworks”) welcomes the opportunity to comment on the Draft Wholesale Demand Response Mechanism Rule.

Brickworks is a domestic manufacturer of building products and a large electricity consumer with sites located in all states across the NEM.

We are supportive of the Draft Rule Determination for the Wholesale Demand Response Mechanism (DR). Customers need an incentive to reduce demand when it can occur at a lower cost than scheduling additional generation, or during times where a lack of generation supply exists. The future NEM requires additional dispatchable firming generation to manage the intermittency of increasing renewable generation. Establishing the DR will lead to lower pool prices, reduced dependence on RERT and assist to firm renewable generation over the long-term.

In relation to the proposed reimbursement rate to compensate retailers, we believe that this results in immaterial payments to retailers while significantly increasing the complexity AEMO must manage and provides an unnecessary role for the AER. We disagree that retailers should be paid for load that do not exist, and note that customers that have reduced their demand during times of high pool prices or lack of generation supply are providing a cost benefit to all customers within the NEM by lowering pool costs.

We support the principles outlined in the Energy Users Association of Australia submission and welcome further discussion with the AEMC on our submission.

Yours sincerely,



Melissa Perrow
General Manager Energy