



National Irrigators' Council

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The Commissioners
Australian Energy Market Commission
Sydney NSW 2000

Dear Commissioners

Re. draft demand response mechanism determination

The National Irrigators' Council on behalf of the Agricultural Industries Energy Taskforce (Ag Energy Taskforce) would like to make a brief submission regarding the [draft determination on the demand response mechanism](#).

In our [initial submission](#) we highlighted the serious negative impacts on the agricultural sector of the current high power prices. The Ag Energy Taskforce advocates a range of reforms to return Australia to a position where energy input costs are reasonable.

We pointed out that research conducted on the Taskforce's behalf showed that irrigators had a greater capacity to engage in demand response than they currently realised or undertook. The research indicated that many irrigators could avoid peak demand times with their energy use (specifically for pumping water).

On that basis we strongly supported a capacity for new organisations to enter the market and offer services to agricultural consumers.

We generally support the draft rule, with two exceptions. We support the position put forward by the Public Interest Advocacy Centre, Total Environment Centre and The Australia Institute suggesting that the start date should be brought forward as much as practical and that all consumers should be allowed to participate.

Australian agriculture faces a real and current threat to its competitive position from high energy prices, the demand response mechanism may make a small but significant contribution and we certainly feel that a July 2022 start date is far too distant. We would also be concerned that including a threshold on business or organisation size might exclude small farming operations and support the position that all consumers should be included at the start date.

Yours sincerely,

Steve Whan
CEO

17 September 2019