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- 5 FEB 2008

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

Dear Dr Tamblyn

**RULE PROPOSAL ON DEMAND MANAGEMENT**

We are pleased to write regarding Total Environment Centre's Rule Change proposal on demand management.

We strongly support their proposal.

Energy efficiency is critical in providing a balanced approach to increasing electricity demand and rising prices. Illustrative of such costs is the recent announcement by the Australian Energy Regulator of \$750 million to augment Victoria's transmission network, adding almost 1% to user bills this year.

Energy efficiency at the demand side provides rapid, cost effective emission reductions, delivering a solution to climate change and rising energy demand. It therefore makes sense for electricity industry regulations and incentives to ensure that all efficiency gains have been exhausted before the building of expensive and polluting new infrastructure.

Demand management provides short and long-term supply and system efficiencies and assists system reliability. Reducing pressure on generation and relieving short-term congestion improves reliability and reduces the frequency of blackouts.

We explicitly support the following rule proposals:

- a provision for the Australian Energy Regulator to develop and implement a demand side incentive scheme
- enable small scale demand side activities when covering relatively modest amounts of load. Modest but widespread demand reductions can provide

long term benefits by reducing the need for a range of possible future network as well as generation augmentations

We look forward to working with the Australian Energy Market Commission and seeing significant progress on demand management.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M Deeble', written over a horizontal line.

Matt Deeble  
CEO, Cool nrg Australia

1 February 2008

cc: Jeff Angel, Executive Director, Total Environment Centre

***Cool nrg is cutting CO<sub>2</sub> through mass-scale residential energy efficiency – particularly energy saving light bulbs (CFLs). On 19 January we partnered with The Sun and Scottish and Southern Energy to give away 4.5 million CFLs to UK households – a campaign publicly endorsed by Prime Minister Brown. We are running a similar scheme on 2nd February in Victoria, and developing projects in China, Mexico, France and the US.***