

13 October 2016

John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235

By online submission

Dear Mr Pierce

### **Demand Response Mechanism and Ancillary Services Unbundling**

Hydro Tasmania welcomes the opportunity to provide comments to the AEMC's draft determination on the Demand Response Mechanism and Ancillary Services Unbundling rule change.

Hydro Tasmania supports the AEMC's conclusion that demand response is already happening in the NEM and that there are no barriers to demand response. Consequently, Hydro Tasmania supports the AEMC's determination to not implement the Demand Response Mechanism in the original rule change proposal.

The energy market is undergoing a significant period of transformation. Hydro Tasmania supports the AEMC's intent to change the rules to enhance competition in ancillary services. Hydro Tasmania supports the principle that the current procedures and obligations relevant to offering load into FCAS markets will be extended and applied to the proposed market ancillary service provider. The increase in the levels of demand side participation in FCAS markets will be particularly valuable in Tasmania.

If you have any questions in relation to this submission, please contact John Cooper on (03) 6230 5313.

Yours sincerely



David Bowker  
Regulatory Manager