

11 April 2012

Australian Energy Market Commission
Level 5, 201 Elizabeth Street
SYDNEY NSW 2000

**RE: SMALL GENERATION AGGREGATOR FRAMEWORK
STAKEHOLDER SUBMISSION ON CONSULTATION PAPER AND RULE CHANGE PROPOSAL**

Increasingly our company has been in a position where clients are requesting advice on the feasibility of small generation systems. Haron Robson is an independent consultant who has been involved in both the design and implementation of small generation units at multiple sites and a common barrier to small generation solutions being implemented is the difficulty involved in achieving a return on electricity generated through the NEM.

We have found an expectation that due to the small size of these units some sort of simplified arrangement would be available and we believe that the introduction of the small generation aggregator (SGA) status will provide significant benefits.

Currently the large costs involved in application, ongoing compliance and unclear regulatory guidance means the potential benefits to entering the NEM mean the vast majority of trigeneration units installed operate in island mode only.

We believe that cost is the significant barrier to participation and the draft rule change will help address this issue. Further we also believe there is a skills and knowledge shortage around this area. By allowing the SGA status the effect of this shortage is reduced significantly as a single business can provide this service to other parties responsible for investing in the generation unit. This will also lend consistency and expert guidance for end users who wish to install small generation units as part of their energy management plans.

Haron Robson is currently acting as an aggregator under the NSW Energy Savings Scheme and works on many commercial projects where trigeneration is being considered. We believe that we have the capacity to operate as a SGA and look forward to entering this area.

It is our understanding of the marketplace this rule change would make generation projects more attractive for providers of finance also.

The carbon intensity of small generation systems is generally lower than the average carbon intensity of generators in the NEM. For the purpose of reducing the regulatory burden on small generators we believe that it is appropriate for SGA's to be exempt from reporting requirements under the CDEI.

We believe that the majority of small generation units will be located very closely to the site of demand - reducing peak demand across the grid where small generation units are present. We do not believe that the entry of SGA's to the market will disrupt the business model of any current NEM participants in a negative way and will lead to increased energy efficiency amongst end use consumers. The majority of small generation units being installed currently are part of tri-generation units which allow for more efficient heating and cooling and lowers site energy consumption significantly.

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Allowing tri-generation units to export excess energy into the grid would increase their feasibility and stimulate adoption of this highly efficient technology by providing a positive price signal to implementation.

We believe that allowing this industry to flourish in Australia will lead to increased economic productivity and skill development in a global growth area.

As we are not currently active in the NEM we are not able to comment on some aspects of the proposed rule change but believe that this change will allow for the greater commercial deployment of technology that has the potential to help address current issues in Australian energy management.

We believe that the introduction of the SGA status will be welcomed by industry and support the rule change proposal.

Should you have any questions on this matter please do not hesitate to contact the undersigned at this office.

Yours faithfully
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