



26 July 2011

Zaen Khan
Australian Energy Market Commission
PO Box A2449
SOUTH SYDNEY NSW 1235

Dear Mr Khan

Rule change request to amend the Efficiency Benefit Sharing Scheme (EBSS) ERC0127

Origin Energy Limited (Origin) welcomes the opportunity to respond to the Ministerial Council on Energy's (MCE) Rule change request to amend the EBSS.

Origin is the owner of Cogent Energy (Cogent), a leading distributed generation company. Our subsequent comments are based on our experience through Cogent in the provision of co- and tri-generation plants.

The Rule change proposal

The deferral of capital expenditure (where efficient), through the pursuit of non-network alternatives such as demand management activities is vital in minimising network costs to consumers. As such, the removal of any barriers to achieving this outcome should be pursued expeditiously. Origin is therefore supportive of the MCE's proposal to exclude from the EBSS, operating expenditure incurred through the implementation of non-network alternatives. This should help remove the disincentive on the part of DNSPs to undertake non-network activities for fear of being penalised under the EBSS.

If you wish to discuss any of these issues further please do not hesitate to contact me on (02) 8345 5250 or Steve Reid on (02) 8345 5132.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Tim O'Grady". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tim O'Grady
Head of Public Policy