

# RIVERLAND ENERGY ASSOCIATION (REA)

29/01/2016

Australian Energy Market Commission  
PO Box A2449  
Sydney NSW 1235

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## **REA Submission on “National Electricity Amendment (Local Generation Network Credits) Rule 2015.**

The Riverland Energy Association represents a number of both large and smaller energy users in the Riverland region. Our region has seen significant and unsustainable increases in its electricity pricing and network charges that have far exceeded reasonable expectations; these increases have placed significant financial pressure on business within the region.

Our members have, as individual businesses and as members of the REA, looked at ways to address these continually rising energy costs. Our view is that we need regulatory change to address a number of fundamental issues to stimulate economic growth in our region.

AEMO have illustrated 9 mechanisms to encourage embedded power generation however our members have not encountered any true engagement by the South Australian Network Provider to explore these options. A question that we pose and only AEMC/AEMO/AER have the data to answer is “how effective are the current 9 mechanism in developing embedded generation?”

The REA support change with the following comments.

- The rule change should incorporate both distribution and transmission cost savings.
- A third party, possibly the AER, should determine the cost savings as the current D/TNSPs have not shown a willingness for such change.
- The cost savings must then be achieved by the D/TNSP.
- The system should be simple and cost efficient to implement and the savings not consumed by complex processes.
- The changes should be cost neutral so that those who are unable to embed any generation are not charged higher prices to subsidise the scheme.

Yours Sincerely,



Trevor Davidson  
Chairman (REA)