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**TOYOTA MOTOR CORPORATION AUSTRALIA LIMITED**

A.C.N. 009 686 097 A.B.N. 64 009 686 097

18<sup>th</sup> December 2012

RECEIVED  
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Mr Steven Graham  
Chief Executive  
Australian Energy Market Commission  
PO Box A2449  
Sydney South, NSW, 1235

**Subject: National Electricity Amendment (Connecting Embedded Generators) Rule 2012, AEMC, 14<sup>th</sup> June 2012, Consultation Paper, Reference: ERC0147**

Dear Steven,

In response to your consultation paper reference ERC0147, Toyota Australia is pleased to provide this submission in support of the above mentioned proposed rule change.

Toyota Australia is Australia's largest automotive manufacturer and we are committed to improving our environmental footprint and continue to proactively explore ways to improve our environmental performance across our operations in a cost effective manner.

Toyota has recognised Embedded Generation is a form of proven technology which can reduce the greenhouse gas emissions of a property. However, the unknown costs and regulatory risks related to this technology outweigh the return on investment we require for all capital expenditure feasibilities.

We have installed Embedded Generation without connection to the network however the upfront capital expenditure substantially impacts the ongoing operational costs savings and hence makes implementing this technology cost prohibitive.

The opportunity to design and install Embedded Generation systems into our properties is currently available. However, the regulatory requirements make it difficult to enable any excess supply of electricity generated by this technology to be supplied back into the network. By removing the regulatory uncertainty and risk associated with regulatory costs, the technology and its implementation may become more attractive to Toyota.

In the past we have identified issues and risks associated with Embedded Generation in the following areas:

- Lack of clarity on the definition of Embedded Generation and how Chapter 5 applies to medium scaled installations.
- Clearly defined processes and terms to understand roles and responsibilities between stakeholders
- Clarity on technical information required to apply for connection to the network
- Clearly defined timeframes for response by a distributor and grid owner to applications
- Transparency regarding costs of augmentation to provide access to the distribution network
- Technical requirements which enables automatic right to export electricity to the network
- Processes to appeal should an application be rejected by a distributor

Toyota supports the Property Council of Australia's rule change request made to Australian Energy Market Commission to review Chapter 5 of the National Electricity Rules.

By removing ambiguity in Chapter 5, this will improve the engagement of property owners and industry to consider adopting medium scale Embedded Generation systems as a commercially viable means of improving the environmental footprint of their operations.

This will ensure that organisations like Toyota meet their corporate and social responsibilities by proactively investigating all technological means of environmental improvement in a cost effective manner.

Should you have any queries regarding this submission please do not hesitate to contact myself (03) 9647 4649 or at [andreas.kammel@toyota.com.au](mailto:andreas.kammel@toyota.com.au)

Yours sincerely



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