



Wednesday, 12th May 2021

Jashan Singh  
Senior Adviser  
Australian Energy Market Commission  
GPO Box 2603 Sydney NSW 2001

Dear Jashan

**RE: Response to draft rule determination for Access, Pricing and Incentive Arrangements for DER (ERC0311)**

LGI appreciates the opportunity to respond to the Australian Energy Market Commission (AEMC) Draft Rule Determination regarding Access, Pricing and Incentive Arrangements for Distributed Energy Resources (DER). We support the proposed rule changes because they will promote efficient operation and investment within the distribution network, especially in facilitating the implementation of battery storage.

**About LGI**

We deliver clean energy and carbon abatement solutions, reliably, effectively and commercially to customers. With over 100 years' combined experience in the waste industry, landfill and renewable energy sectors, we have developed a unique, flexible operating platform of biogas from landfill installations on sites of all scales across Australia.

Our unique, flexible operating platform enables us to create hybridised energy systems which can include biogas to power generation, energy storage, synergistic solar, Green Gas (bio-methane) and innovative commercial solutions to provide dispatchable distributed renewable energy to firm intermittent renewables.

Our vision is to be people engineering a clean energy, zero carbon future, by achieving our mission of expediting the transition to renewables by delivering clean energy and lower carbon solutions, reliably, effectively, commercially for our customers.

Our portfolio of 28 biogas sites across Australia, includes 8 renewable energy sites, all embedded in the distribution network and capable of being converted into renewable hybrids with the addition of battery storage. See <https://www.lgi.com.au>

**Our feedback on the draft rule determination**

As LGI operates embedded renewable generation located on the distribution network, our response to the rule change is focussed on the impact which it will have on all forms of embedded generation, including the opportunities for distributed energy storage in the form of batteries.

Please find below our responses to the proposed reform initiatives:

1. **Update the regulatory framework to reflect community expectations for distribution networks to efficiently provide export services to support distribution energy resources.**

LGI looks forward to regulatory changes which acknowledge export, during the right times, as a service to the network. LGI hopes that this service will be taken into account when assessing future connection requests.



**2. Promote incentives for efficient investment in, and operation and use of, export services.**

LGI believes that network incentives will stimulate opportunities for efficient investment that assist in the network's ability to accommodate further export. Thereby producing positive feedback through the transitional and operational processes.

**3. Support informed network planning and investment decisions.**

LGI supports the introduction of customer export curtailment values, as long as they do not take precedence over predetermined embedded generation connection agreements.

**4. Promote greater transparency of network export service performance.**

LGI hopes that the reporting of export service performance will provide greater direction and insight into stability of the network. Enabling businesses to tailor their application to the needs of the network, thereby improving the service provided to customers.

**5. Create regulatory flexibility for new pricing options.**

LGI supports the ability for networks to charge for energy exported into the grid during low demand intervals, as long as network support schemes are considered for export into the distribution network during peak demand intervals. Greater flexibility to develop pricing options will encourage innovation and expedite the development of new energy services required by customers as the rate of change in the market and technology continues to increase.

**6. Strengthen stakeholder engagement in the transition process.**

LGI looks forward to reviewing any transition plans, and hopes that these plans will include details and the current state of the network, in particular areas that require assistance in maximising export services.

**7. Promote greater certainty and transparency of the decision-making process.**

LGI looks forward to reviewing any methods for calculating CECVs, however, it hopes that considerations will be made for existing embedded generation and connections agreements.

**8. Support innovation and future market developments.**

LGI supports an increase in the thresholds imposed on trial tariffs, since this will help facilitate the introduction of new and emerging network solutions. In particular, it will assist in the removal of maximum demand charges for batteries, which enable more network support options through the use of live import and export 'envelopes'.



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A **CLEAN ENERGY**,  
ZERO CARBON **FUTURE.**

[www.lgi.com.au](http://www.lgi.com.au)

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9. **Improves the adaptability of the pricing framework to emerging network issues.**

LGI supports the broadening of the pricing signals to address issues such as minimum demand since there is currently no framework through which solutions to these network hurdles can be assessed and incentivised.

We would be happy to discuss our feedback with you, including how these proposed reform initiatives could expedite batteries being incorporated into our embedded renewable generation sites on the distribution network.

Kindest regards,

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