

**CSR Limited**

**Triniti 3 39 Delhi Road North Ryde  
NSW 2113 Australia  
Locked Bag 1345 North Ryde BC  
NSW 1670 Australia  
ABN 90 000 001 276**

3 September 2020

Australian Energy Market Commission  
GPO BOX 2603  
Sydney NSW 2000

Submitted electronically to AEMC website, [www.aemc.gov.au](http://www.aemc.gov.au)

Dear Sir/Madam

**ERC0311: Distributed Energy Resources Integration Consultation 2020**

CSR welcomes the opportunity to make a submission in response to Consultation on the proposed changes to amend the National Electricity Rules (NER) as it applies to the economic regulation of distribution network service providers (DNSPs) in the National Electricity Market (NEM).

CSR is a leading building products company in Australia and New Zealand which manufactures and supplies products including Gyprock™ plasterboard, Bradford™ insulation, Cemintel™ fibre cement, Monier™ roof tiles, PGH™ Bricks and AFS™ walling systems.

As a significant employer and energy user in Australia, CSR appreciates the time taken to consider this submission. Headquartered in Sydney, CSR Limited is an ASX Listed Top 200 company with operations in Australia and New Zealand. CSR employs over 2,900 people, principally in the manufacture of building products.

Access to affordable, reliable, and sustainable energy is critical to enabling CSR to continue manufacturing in Australia States. In recent years, CSR's annual energy cost risen to above \$100m. As a result, CSR took several steps to actively reduce its costs including increased exposure to both the wholesale electricity and gas markets and investments in a number of energy improvement projects such as on-site solar PV, energy storage and improved heat-recovery.

To achieve its 2030 Sustainability Targets of 50% of electricity generated by renewable energy, CSR is looking to install solar panels on more of its sites and would be looking to transfer the excess solar generated to our neighbouring plants to reduce our cost and environmental footprint. The proposed changes would create additional regulatory uncertainty for those investments.

CSR is of the view that the proposed changes should be considered with COGATI program (Co-ordination of Generation and Transmission Investment) where the AEMO ISP has identified over \$6b in possible transmission investment (Actionable ISP projects). This should be considered alongside any distribution network investment to ensure that the overall objectives of the National Electricity Objective (NEO) to promote efficient investment for the long-term interest of consumers is met.

Consultation Questions

1. **Approach to the Rule Change Assessment - Are there any other relevant considerations that should be included in the assessment framework?**

Yes, this rule change should be considered alongside the COGATI program (Co-ordination of Generation and Transmission Investment) to ensure that investment in the poles and wires for all new generation is considered to ensure lowest and most efficient cost allocation to end-users. This is particularly important when the AEMO ISP had identified \$6b of possible spend in actionable ISP projects.

CSR is concerned that by considering this rule change in isolation it could result in end-users having to foot the bill for new transmission investment for generation that is placed at the end of the grid, while also having to pay for new distribution investment to transport excess on-site solar to its neighbouring site located just "down the road".

**2. Pricing Arrangements - Should DNSP's have the option to propose to the AER charges for export services**

No, not unless the market changes and this is expanded to apply for all new generation and include transmission network service providers (TNSP).

This rule change needs to be considered with the COGATI program to ensure both transmission and distribution investment is coordinated in a way to achieve the NEO is met for the long-term interest of consumers.

Should you require clarification or further information, please contact Andrew Cheah (02 9964 1027) where we would be happy to provide further consultation.

Yours sincerely,



Gary May  
Group Business Development and Government Relations Manager  
CSR Building Products Pty Ltd