

Department of State Growth

RENEWABLES TASMANIA

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Our Ref: D21/91375



Ms Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2001

Dear Ms Collyer

Access, Pricing and Incentive Arrangements for Distributed Energy Resources

Thank you for the opportunity to provide comment on the AEMC's draft Rule Determination for Access, Pricing and Incentive arrangements for Distributed Energy Resources (DER).

Renewables Tasmania is committed to the growth of the State's renewable energy sector, evidenced by legislating the Tasmanian Renewable Energy Target, and the vision and suite of actions in the Tasmanian Renewable Energy Action Plan and in the Tasmanian Renewable Hydrogen Action Plan.

We support reforms which strike the right balance between network availability and security, which minimises costs for consumers, and allows for future market and technology innovation. We also support the strong emphasis on ensuring robust customer engagement by networks prior to any proposed tariff reform, and the offering of choices to customers to select options that best suit their individual needs.

First, it is important to note that customers in Tasmania represent only a small proportion of the quantum of rooftop solar PV systems across the NEM, and Tasmania does not currently experience the significant distribution hosting capacity limitations in other jurisdictions particularly where curtailment of solar customers is becoming a significant issue with high penetration of distributed solar generation coupled with low demand.

Secondly, we note that there has been some estimation of the cost impost on customers, but this has been on a NEM-wide basis, and a breakdown by jurisdiction may be more useful to stakeholders who are considering if the costs outweigh the benefits of the proposed change. We would anticipate that a more detailed evaluation of the relative costs and benefits for all classes of customers would be required as part of the evaluation of any proposals by networks prior to the approval of any new tariff arrangements.

Thirdly, whilst the draft Rule does not mandate export pricing, it is preferable that any tariffs do not apply retrospectively, so as to avoid any negative impact on existing customers who have invested in solar PV systems prior to this proposed rule.

Finally, I am pleased to see that the AEMC is acknowledging that the regional and jurisdictional differences across the NEM often require variation in how the regulatory arrangements apply. The NEM operates as one market, but there are significant differences across the NEM in terms of generation mix, climate, local supply demand balance, and customer needs and expectations. A flexible approach that accommodates the need for jurisdictions to apply the NEM rules in a way that is complementary, rather than uniform, helps to ensure that the interests of customers in all regions are better served.

If you would like any further information, please contact Sue Morrison, on telephone 03 6166 3474 or (sue.morrison@stategrowth.tas.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Terry', with a small dash at the end.

Sean Terry
Executive Director
Renewables Tasmania

26th May 2021