

TO/

Mitchell Potts
Senior Adviser
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2001

26 August 2024

Dear Mitchell

RE: Review – (Project EPR0092) Electricity pricing for a consumer-driven future

Firm Power welcomes the Australian Energy Market Commission's (**AEMC**) review of current market and regulatory settings (**the Review**), and the particular focus on advancing opportunities and participation by energy market customers within the context of consumer energy resources (**CER**). We appreciate the opportunity to engage with the process in this early phase and support finalisation of the Review terms of reference (**ToR**).

As an Australian-owned energy storage company, with a 4 GW pipeline of projects across Australia, Firm Power has a particular interest in the AEMC's intent to consider the role of distribution networks in providing better outcomes for consumers. We are of the strong view that measures facilitating a balanced mix of utility-scale battery storage (**BESS**) across both the distribution and transmission networks should be within the scope of the Review.

In this respect, Firm Power considers that measures to address the disparity in how network service providers facilitate connection to the transmission and distribution networks should be considered. It is our experience that network use of service costs are significantly higher for BESS developers that seek to connect to the distribution network, which creates price distortions.

However, enabling equal treatment across the transmission and distribution networks may provide considerable benefits for electricity consumers, improve efficiency across distribution networks and help accelerate the energy transition. Some of the advantages that could be realised include avoided distribution infrastructure costs, through reducing and/or delaying future augmentation, lower capital costs for BESS connections and facilitating the optimal mix of grid connected and behind the meter batteries.

Reviewing whether distribution network use of service costs would result in better outcomes for consumers, and determining the quantum of any such benefit, is an important element of any review of the role of distribution networks. How this affects the effective integration of CER, particularly in relation to how CER may benefit other energy users, is also an important aspect of examining distribution networks.

We look forward to the progress of this Review and future occasions to engage with the AEMC and this process, as changes transpire throughout 2024 - 2025. We would also be pleased to clarify any of the points raised in this submission and other aspects of the Review. Please contact Christy Englezakis on 0414 240 062 or christy@firmpower.com.au, if you have any questions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nick Rose', written in a cursive style.

Nick Rose

Chief Executive Officer