



17 October 2011

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South, NSW 1235

Project number: ERC0129

Dear Mr Pierce,

**RE: NETWORK SUPPORT PAYMENTS AND AVOIDED TUOS
FOR EMBEDDED GENERATORS**

CitiPower and Powercor Australia (**the Businesses**) refer to the Australian Energy Market Commission's (**AEMC**) Draft Rule Determination entitled 'National Electricity Amendment (Network Support Payments and Avoided TUoS for Embedded Generators) Rule 2011' (**the Draft Determination**) dated 29 September 2011.

The Businesses appreciate the opportunity to comment on the Draft Determination and are supportive of AEMC's initiatives in clarifying the difference between Avoided Transmission Use of System (**TUoS**) payments and network support payments.

The Businesses note the AEMC's intention to amend the National Electricity Rules (**NER**) to require Transmission Network Service Providers (**TNSPs**) to take avoided TUoS payments into consideration when negotiating a network support payment. The Businesses are supportive of the AEMC's approach, in particular, the AEMC's determination that Distribution Network Service Providers (**DNSPs**) are not required to provide avoided TUoS payments estimates to TNSPs.

The Businesses agree with the AEMC's assessment that TNSPs are already aware that embedded generators would be eligible to receive avoided TUoS payments and would therefore have the capacity to estimate these amounts. The Businesses submit that any obligation to provide these estimates would unnecessarily involve the DNSP in a private commercial negotiation between the TNSP and the generator.

REGISTERED OFFICE

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If you have any questions, please contact Vivienne Pham on (03) 9683 2023 or by email at vpham@powercor.com.au.

Yours sincerely,



Brent Cleeve
MANAGER REGULATION