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AUSTRALIAN CHAMBER OF
COMMERCE AND INDUSTRY

2 December 2011

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

Dear Mr Pierce

Proposal by the Energy Users Rule Change Committee (ERC 0134)

Thank you for the opportunity to comment on the AEMC's Consultation Paper on the Rule Change Proposal submitted the Energy Users Rule Change Committee (RCC). I am writing to you to register Australian Chamber of Commerce and Industry (ACCI) support for this rule change proposal.

As Australia's largest and most representative business association, ACCI speaks at a national and international level on behalf of the nation's peak State and Territory Chambers of Commerce and Industry and National Industry Associations from all sectors of the economy, representing more than 350,000 businesses in Australia. ACCI membership consists overwhelmingly of energy users who are becoming increasingly concerned about rising energy prices and their increasing pressure on the cost of doing business.

ACCI agrees with the finding by the Australian Energy Regulator, the Garnaut Review, the Independent Pricing and Regulatory Tribunal, the Energy Users Association of Australia and others that deficiencies in the design and conduct of economic regulation account for part of these price increases.

We support proposals to change the National Electricity Rules in order to strengthen incentives for efficient operation and investment by the network service providers operating in the National Electricity Market, and also to reduce excessive profits that are produced at the expense of higher electricity prices.

ACCI supports the principle proposed by the RCC that the allowed return on debt should reflect the actual cost of debt. We agree with the RCC that these issues should be reviewed by the AEMC and prescribed in the National Electricity Rules, rather than left to periodic reviews by the AER.

We have confidence in the integrity of the AEMC's rule change process and commend the RCC's proposal to the AEMC. We will be taking an active interest in this proposal including widespread exposure across our membership and the media to change the National Electricity Rules and we look forward to its transparent and comprehensive assessment against the National Electricity Objective.

Yours Sincerely

Greg Evans
Director, Economics and Industry Policy

Cc: Zaeen Khan, AEMC

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