



Ref: fC116710

8 September 2017

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

Dear Mr Pierce,

Western Power's proposed National Electricity Amendment (Alternatives to grid-supplied network services) Rule 2017

Once again thank you for providing the opportunity for Essential Energy to make a submission to the Australian Energy Market Commission (AEMC) regarding Western Power's proposed National Electricity Amendment (Alternatives to grid-supplied network services) Rule 2017, tabled on the 14 June 2017.

In support of our previous submission we would like to provide further information concerning the benefit Essential Energy's customers would gain through the Rule change proposed by Western Power.

In its Rule change request, Western Power estimates that stand-alone power systems could be deployed as a more efficient service to approximately 2,702 Western Power customers over the next ten years, resulting in avoided capital expenditure of \$388M compared to replacing existing network assets.

While detailed customer trials have yet to be completed, Essential Energy estimates that off-grid solutions could be deployed to up to 8,430 of its customers in the next ten years, resulting in avoided capital expenditure of up to \$513M. (NOTE: These figures are indicative only. Future costings would be influenced by areas selected for off-grid solutions, customer acceptance, and how the Rule change would deal with cost items such as retirement of existing infrastructure).

In the meantime, if you or your officers have any questions or require further information about this submission, please contact our Innovation and Market Analytics Manager, Josh Harvey, either by phone on 0407 681 593 or by e-mail via joshua.harvey@essentialenergy.com.au.

Alternatively, you can contact me directly on 02 6589 8333.

Yours sincerely

A handwritten signature in black ink, appearing to be the name "John Cleland".

John Cleland
Chief Executive Officer