

4 February 2016

Hayden Green
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged online at www.aemc.gov.au

Dear Hayden,

ERC0191: Local Generation Network Credits

Thank you for the opportunity to make a submission to the Australian Energy Market Commission's (AEMC) consultation paper on the proposed Local Generation Network Credits rule change.

Stanwell owns and operates embedded generation assets but does not support the proposed rule change. Stanwell does not consider that a material issue has been identified by the proponent, nor that the proposed action would form an appropriate response if the issue was considered material.

The proposal to create an administrative burden for Network Service Providers (NSPs) in order to provide a revenue stream to an arbitrary subset of generators who may not contribute to reducing total system cost is, in Stanwell's opinion, not one which warrants ongoing attention by the AEMC.

The consultation paper lists a number of existing measures which allow or require the value of embedded generation to be considered by NSPs in determining what network investment is efficient. A number of these measures include thresholds (typically 5MW) reflecting the diminishing return associated with smaller assets. If the proposal is that the current thresholds are set at inefficient levels, investigations into whether to adjust the thresholds would be more effective.

Stanwell is a member of the Competitive Energy Association and supports the submission made by that body which addresses the issues in greater detail.

Regards

Luke Van Boeckel
Manager Regulatory Strategy
Energy Trading and Commercial Strategy