

23 June 2008

Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

By email: submissions@aemc.gov.au

Dear Sir/Madame

ENA Response to AEMC Review of Demand-Side Participation in the NEM Stage 2 Issues Paper

The Energy Networks Association (ENA) welcomes this opportunity to respond to the Australian Energy Market Commission (AEMC) issues paper "*Review of Demand-Side Participation in the National Electricity Market Stage 2*" released on 16th May 2008.

ENA is the national representative body for gas and electricity distribution network businesses. Energy network businesses deliver electricity and gas to over 13 million homes and businesses across Australia through approximately 800 000 kilometres of electricity lines and 75 000 kilometres of gas distribution pipelines. These distribution networks are valued at more than \$45 billion, and each year energy network businesses undertake capital investment of more than \$6 billion in network reinforcement, expansions and extensions.

ENA supports the AEMC in its objective to identify issues in the National Electricity Rules (NER) which may be acting as impediments or disincentives to demand-side participation (DSP) in the NEM. Electricity network businesses have a long standing interest in seeking DSP opportunities to deliver successful demand management opportunities. Such opportunities are recognised for delivering benefits through reducing the need for investment in network infrastructure and for helping to address national energy and environment objectives. Further, ENA notes that progress on improving the provisions in the NER which puts the assessment of DSP and network augmentation options on an equal footing is timely as the AEMC work in this area dovetails with the recent Ministerial Council on Energy (MCE) announcement to implement a national smart meter roll out.

In its submission (enclosed) ENA has given careful consideration to some 20 issues raised in the AEMC paper and has provided input based on its considerable experience in interacting with stake holders on DSP options. Please contact me should you wish to discuss our response further.

Yours sincerely

A handwritten signature in blue ink, appearing to read "ABlyth", with a small dot at the end.

Andrew Blyth
Chief Executive