

7 November 2011

To whom it may concern

Re: Efficiency Benefit Sharing Scheme and Demand Management Expenditure by Transmission Businesses draft Rule determination and draft Rule

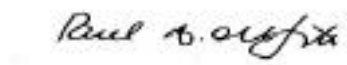
The Moreland Energy Foundation Ltd (MEFL) supports the draft Rule determination and draft Rule, which removes a barrier to demand-side participation in the National Energy Market at the transmission level.

However, we emphasise that this change is unlikely to significantly increase the use of cost-effective demand-side alternatives to expensive supply-side capital expenditure. This situation will continue to contribute to inefficient outcomes and higher costs for electricity consumers.

It is well recognised that there are systemic issues in the National Energy Market that incentivise transmission businesses (and distribution businesses, despite the fact that the proposed rule already applies to these businesses) to invest in supply-side solutions rather than cost-effective demand-side alternatives.

Many reviews and reform processes have investigated these issues over many years, and we urge the AEMC to now move to address these issues as a matter of urgency.

Sincerely



Paul Murfitt

CEO, Moreland Energy Foundation Ltd.