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city of
Melbourne

Steven Graham
Chief Executive
Australian Energy Market Commission
PO Box A2449

SYDNEY SOUTH NSW 1235

Dear Mr Graham

ERC 0147 - PROPOSED RULE CHANGE - CONNECTING EMBEDDED GENERATORS

I write to add support to the proposed rule change regarding connection of embedded generators proposed by ClimateWorks, Seed Advisory and the Property Council of Australia.

The development of distributed generation in the City of Melbourne plays an important role in decarbonising the power supply. In its *Zero Net Emission by 2020* strategy, the City of Melbourne has adopted a target of 425MW of distributed generation throughout the community by 2020 (including 400MW of distributed cogeneration).

There is increasing interest in installing grid connected cogeneration in both new and existing buildings in the central city. This has been driven largely by building energy efficiency rating schemes such as NABERS and Green Star.

We are anecdotally aware that the largest barriers preventing grid connected cogeneration systems from being installed are existing timeframes for approvals and the lack of certainty in the process when obtaining approvals from distribution utilities. Building owners and developers have identified long timeframes, uncertain costs and lack of clarity around technical requirements as significant barriers which have delayed projects or prevented them from proceeding.

By introducing requirements for the development of technical standards and introducing greater transparency in connection costs and charges, the proposed rule changes will increase certainty and transparency and will better enable proponents to engage with utilities in a timely manner.

Yours sincerely

Geoff Lawler
Director City Planning and Infrastructure

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