

10 November 2017



Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2499  
**Sydney South NSW 1234**

Dear Mr Pierce

**“ERC0215” *Alternatives to grid-supplied network services Draft Rule Determination***

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) regarding its Draft Rule Determination on the *Alternatives to grid-supplied network services* rule change request submitted by Western Power.

Energy Queensland is a Queensland Government Owned Corporation that operates a portfolio of businesses providing energy services across Queensland, including:

- Distribution network service providers (DNSPs), Energex Limited (Energex) and Ergon Energy Corporation Limited (Ergon Energy Network);
- A regional service delivery retailer, Ergon Energy Queensland Limited (Ergon Energy Retail), limited in its scope of operations by jurisdictional legislation; and
- Affiliated contestable businesses, Metering Dynamics, Energy Impact and Ergon Energy Telecommunications.

Energy Queensland’s purpose is to “safely deliver secure, affordable and sustainable energy solutions with our communities and customers” and is focused on working across its portfolio of activities to deliver customers lower, more predictable power bills while maintaining a safe and reliable supply and a great customer service experience.

Overall, Energy Queensland is pleased that the AEMC are supportive of the proposal by Western Power to enable off-grid solutions. This is particularly so, given the cost savings of allowing the innovative delivery of services through microgrids and stand-alone power systems (SPSs) at identified customer sites, as an alternative to network augmentation/replacement, could be significant. Notwithstanding, we recognise that, given the breadth of issues (competition and consumer protections) and the potential for inconsistencies between the National Electricity Law and National Electricity Rules and other legislative instruments, a co-ordinated package of modifications are required. We agree with the AEMC that this is best managed by the Council of Australian Governments (COAG) Energy Council through its energy market transformation work program.

Furthermore, Energy Queensland highlights the importance of both national and jurisdictional government policy positions on this issue and the need to carefully consider these when determining an appropriate framework for the regulation or otherwise of these systems.

Energy Queensland looks forward to providing continued support to the AEMC and COAG Energy Council regarding the form and relative oversight of such solutions into the future. Should you require additional information or wish to discuss any aspect of Energy Queensland's submission, please do not hesitate to contact either myself on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours sincerely



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