

10 December 2015

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235



positive energy

Dear Mr Pierce

**Consultation Paper: National Electricity Amendment (Demand Response Mechanism and Ancillary Services Unbundling) Rule 2016 (ERC0186)**

Energex Limited (Energex) welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC's) consultation paper on the Council of Australian Governments (COAG) Energy Council's demand response mechanism and ancillary services unbundling rule change request.

Energex is generally supportive of the proposed rule change which seeks to create a demand response mechanism to facilitate the participation of the demand side in the National Electricity Market (NEM) and unbundle the provision of ancillary services from the sale of electricity. Energex therefore endorses the proposed approach to removing existing barriers to large customers seeking to participate in the NEM through the creation of a new type of market participant, the Demand Response Aggregator.

As a member of the Energy Networks Association (ENA), Energex supports the views expressed in the ENA's submission on this consultation paper. In particular, Energex agrees that:

- Network businesses should not be precluded from undertaking the role of Demand Response Aggregator for purposes such as managing reliability in constrained locations on their networks;
- The issue of synchronised demand response switching must be addressed to prevent adverse impacts on system stability and reliability; and
- Any potential demand response mechanism should not be developed in isolation from existing programs but should form part of an integrated suite of demand response measures.

Energex also supports the proposed future participation of smaller customers in the demand response mechanism.

Should you have any queries regarding this submission, please do not hesitate to contact Ms Nicola Roscoe, Acting Network Regulation Manager, on (07) 3664 5891.

Yours sincerely

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