



9 July 2015

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

By electronic lodgement

Ref: ERC0177

Draft rule determination - National Electricity Amendment (Demand management incentive scheme) Rule 2015

Origin Energy (Origin) welcomes this opportunity to respond to the Australian Energy Market Commission's (the Commission's) consultation on the rule change for the Demand Management Incentive Scheme (DMIS) proposed by the Total Environment Centre and the Council of Australian Governments Energy Council.

Origin is supportive of the draft rule and notes that it incorporates a number of the changes sought by the rule proponents. The requirement for the Australian Energy Regulator (AER) to develop a separate demand management incentive scheme and allowance (DMIA) mechanism will provide further clarity for distribution network service providers, other market participants, consumers and proponents of projects that may be alternatives to augmentation of distribution networks.

While we supported the suggestion that the AER develop guidelines to support the publication and application of the DMIS and DMIA at the initiation stage of the Commission's consultation, we acknowledge that the AER will undertake a consultation process when developing mechanisms to support these two separate components. We support the inclusion in the rules of the matters the AER is to have regard to when developing the DMIS and DMIA (set out in draft clause 6.6 and 6.6A of the draft rule).

Furthermore, Origin supports the publication and reporting of outcomes of projects funded under the DMIA as this will support transparency for interested stakeholders, market participants and providers of demand side management solutions.

Overall, the draft rule strikes an appropriate balance between the level of prescription required under the rules to provide clarity that certain actions will occur against flexibility for the AER to implement the scheme and allowance mechanism following engagement with interested stakeholders.

Should you wish to discuss the any of the matters raised in this response, please contact David Calder, Regulatory Strategy Manager on (03) 8665-7712 in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to read "Sean Greenup".

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