



11 February 2010

Dr John Tamblyn
Australian Energy Market Commission
Level 5
201 Elizabeth Street
Sydney NSW 2000

Attention: Ms Anita Lai

Dear Dr Tamblyn

ERC0097 - PAYMENTS UNDER FEED-IN SCHEMES AND CLIMATE CHANGE FUNDS

Origin Energy Limited (Origin) welcomes the opportunity to provide comments to the Australian Energy Market Commission (AEMC) on this Rule change proposal from ETSA Utilities (ETSA).

When assessing this Rule change proposal, an important consideration for the AEMC is to ensure that retailers can continue to pass through these reclassified distribution network costs to customers.

In most jurisdictions, retailers are normally able to pass through to customers (most if not all) costs that are identified as part of the regulated network determination or tariff-setting process. ETSA proposes to create a new network charge category - a "Feed-in Tariff Scheme/Climate Change Fund Recovery Amount" - which would be billed directly to all connection points in a Distribution Network Service Provider's (DNSP's) network. ETSA's intent is that this new Amount would be treated in a similar way to Transmission Use of System (TUoS) charges, and therefore passed through directly to customers.

Whatever methodology is chosen, it needs to align clearly and appropriately with the retail price methodologies in each jurisdiction. This is necessary to ensure that the regulated retail price in each jurisdiction enables full recovery of this change in network costs. If it does not, then retailers will find themselves exposed to yet another unmanageable financial risk.

If you have any question or would like to discuss this submission please call me on (02) 8345 5250 or Hannah Cole on (02) 8345 5500.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Tim O'Grady".

Tim O'Grady
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