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Ms Dona Attard
Essential Services Commission of SA
GPO Box 2605
Adelaide SA 5001
By email: escosa@escosa.sa.gov.au

Dear Dona

Re: ESCoSA 2010-13 Strategic Planning Key Issues Discussion Paper

The Clean Energy Council (CEC) is the peak body representing Australia's clean energy and energy efficiency industries.

Its priorities are to:

- create the optimal conditions in Australia to stimulate investment in the development and deployment of world's best clean energy technologies;
- develop effective legislation and regulation to reduce energy demand and improve its efficient use; and
- work to reduce costs and remove all other barriers to accessing clean energy.

The CEC works with members and the government to identify and address the barriers to efficient industry development in the stationary energy sector.

The clean energy industry and its members contribute to the generation of electricity using wind, hydro, solar, biomass, geothermal and ocean energy as well as the emerging technologies and service providers in the energy efficiency sector including solar hot water and cogeneration.

The CEC welcomes the Discussion Paper on the Strategic Plan 2010-13 (Paper) released by ESCoSA of key issues that stakeholders can comment on prior to finalisation of the Plan.

The CEC encourages the regulatory framework under which the Commission currently operates, which is subject to significant change, to be transparent for negotiations with the State Governments and other regulatory bodies.

In June 2009, the South Australian Premier Mike Rann announced a new policy to take the amount of renewable energy generation in the state to 33 per cent by 2020. South Australia is rich in numerous renewable energy sources; in particular wind, solar and geothermal. Further

expansion in such renewable generation, especially wind, will play a significant part in meeting this target.

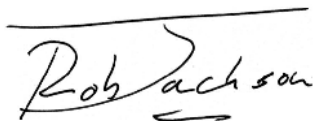
The following comments have been prepared as a submission to this Paper:

- The Commission's responsibilities to the energy sector should be to align any developments and implementations of climate change response with the Federal and State Government's climate change and energy security goals.
- The CEC is pleased to see the Commission's responsibility to monitor the compliance by retailers and the ETSA Utilities with the Feed-in Tariff (FiT).
- In regards to Retail Price Regulation, the CEC would like the Commission to carefully consider that there are appropriate facilities available to allow retailers to pass through the cost of climate change policy to enable timely adjustment of prices and transitions to new costings for customers.
- The CEC believes that the fully pricing the cost of climate change policy into retail prices is an essential part of driving energy efficiency, and will lead to lower costs to consumers in the long term;
- The CEC commends the Commission for their establishment and implementation objectives to monitor and report of the energy retail market. AEMO is currently reviewing the Rules in respect of the registration of embedded generation to encourage more registered embedded market generation. Increased competition in the retail market will provide more options for new small-scale generation and encourage more small embedded generation to connect to the network. Much of this embedded generation is likely to be predictable generation such as bioenergy and co-generation. The CEC has identified there are solutions to how small generators can be integrated better into the market to achieve best value for participants. The CEC recommended that:
 - AEMO should consider the use of something similar to the MSATS system used for end use consumers for embedded registered generators. This would simplify registration and changing registered participant;
 - AEMO registration and annual fees for registered embedded generators be set to truly reflect the low costs that could be attributed to this class of generation;
 - The current rules require increased transparency so that embedded generator participants know all costs and benefits in the market when dealing with NSPs in order to have even-handed transactions; and
 - Embedded generators should have the ability to access other markets such as RERT and ancillary services.
- To encourage aggregation of small generators, participants can improve the efficiency of the network, control their generators and provide additional services to the network using a portfolio of small generators at different locations.
- The Commission is to be commended for REES as it allows the retailer performance to be audited against targets. A comprehensive and effective energy efficiency strategy should:

- Provide a long-term signal of the importance of energy efficiency to the economy by indicating a significant level of energy efficiency improvement it is hoping to achieve by 2020. It should also ensure that there is a robust method of measuring and evaluating progress;
 - Identify the areas where significant demand growth is forecast and develop the appropriate policies to support the deployment of energy efficiency technologies;
 - Ensure all energy efficiency policies deliver savings for consumers and overcome pricing barriers, especially providing support to low income families;
 - Include supportive regulation and minimum standards to drive energy efficiency in the areas of new buildings, renovated buildings and retrofitting of existing buildings;
 - Engage consumers to encourage behaviour change to reduce energy consumption as well as incentivising the uptake of energy efficiency technologies; and,
 - Be supported by robust standards, audits and verification to ensure the installation of quality equipment and service.
- For the Commission to be required to monitor the performance of wind generators already licenced and operational in SA, it is important that the Commission does not complicate the processes already in place for wind farm operators.

If you are seeking clarification or answers to any questions that arise, please do not hesitate to contact the undersigned on (03) 9929 4100.

Yours sincerely



Rob Jackson
Deputy Director



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Policy Analyst