

22 May 2020

Energy Transformation Implementation Unit David Malcolm Justice Centre 28 Barrack Street, Perth WA 6000 Postal address: Locked Bag 11 Cloisters Square, Perth WA 6850

Submitted by graham.pearson@energycouncil.com.au to energytransformation@energy.wa.gov.au

DER Roadmap Implementation Draft Rules

The Australian Energy Council (the "**AEC**") welcomes the opportunity to make a submission to the Energy Transformation Implementation Unit on the DER Roadmap Implementation Draft Rules.

The AEC is the industry body representing 24 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

The AEC welcomes the release of the DER Roadmap. It's a sensible plan to ensure the reliability and security of a power system undergoing rapid transformation while enabling competition and innovation in customer-centric products.

The proposed rules will allow AEMO to undertake the DER Roadmap activities and to recover costs associated with those activities through Market Fees. While the AEC recognises that AEMO will need to recover its costs to achieve the objectives of the DER Roadmap, it notes that recovering these costs via Market Fees may disproportionately burden existing WEM participants due to these fees being charged on a \$/MWh basis. The cost of industry reform, such as the DER Roadmap, shouldn't be unfairly carried by existing WEM participants and the AEC suggests that the implementation costs be recovered across the market.

The AEC is supportive of the DER Roadmap and its objectives but encourages the Energy Transformation Implementation Unit to consider a more equitable way to recover AEMO's costs.

Any questions about our submission should be addressed to Graham Pearson, Western Australia Policy Adviser by email to graham.pearson@energycouncil.com.au or by telephone on 0466 631 776.

Yours sincerely,

Graham Pearson

Policy Advisor, Western Australia Australian Energy Council