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Response to National Framework for Distribution and Retail Regulation Working Paper 2

The Alternative Technology Association (ATA) and Total Environment Centre (TEC) welcome the opportunity to provide comment on the *National Framework for Distribution and Retail Regulation Working Paper 2* (the Paper), prepared for the Retail Policy Working Group (RPWG).

ATA is a not-for-profit organisation established in 1980 to promote the uptake of sustainable technologies in order to protect our environment. The organisation provides service to over 3000 members, who are actively promoting sustainability in their own homes by using good building design and implementing water conservation and renewable energy technologies. ATA advocates in both the government and industry arena for ease of access and continual improvement of these technologies, as well as the production and promotion of information and products needed to change the way we live.

Established in 1972, TEC is an independent, non-profit group run by a Management Committee of professionals. For over 30 years, we have been working to protect this country's natural and urban environment, flagging the issues and driving debate. Our core business is the protection of the environment and the active promotion of sustainable systems and technologies.

As Australia's premier member-based organisation representing early-adopters of renewable energy systems, ATA is in a unique position to highlight the needs and concerns of small-scale embedded generators and the interface with distributors. TEC's focus is on managing demand and the promotion of renewable energy to mitigate greenhouse gas emissions. As such, this submission focuses on Section 5 of the Paper.

Section 5 - Distributor Interface with Embedded Generators

Embedded generation (EG) has a critical and valuable role to play in addressing Australia's electricity demand with significant economic, environmental and social benefits in contrast to large, centralised forms of generation. As such, we welcome the proposal contained within the Paper to provide greater clarity and enhanced

provisions, particularly for small-scale embedded generation, through the incorporation of a form of the Code of Practice for Embedded Generation (currently being developed by the Renewable and Distributed Generation Working Group) into the National Electricity Rules (NER).

However, for such an initiative to achieve the desired outcome of improved certainty and uniform conditions for EG projects, it is of vital importance that the content of the Code of Practice reformulated as Rules contains a number of crucial elements. ATA and TEC, in conjunction with a number of other members of the Climate Action Network Australia, co-authored a submission to the Renewable and Distributed Generation Working Group's Draft Code of Practice for Embedded Generation, outlining vital components of any Code of Practice for Embedded Generation, or any subsequent Rules dealing with this topic.

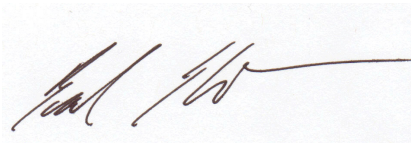
A copy of the submission is provided in Appendix A, and, whilst we appreciate the formulation of the form and content of these provisions is the realm of another MCE workstream, we would encourage the RPWG to review this submission in order to gain an understanding of some significant concerns associated with the draft code.

We look forward to participating in future MCE processes to ensure that any Code and subsequent Rules address these concerns, and achieve the best possible outcome for embedded generation and the National Electricity Market as a whole.

Further Contact

ATA commends the RPWG for undertaking this process, and would welcome the opportunity to discuss any aspect of this submission or the Paper further. Please direct any questions or further correspondence to Brad Shone, Energy Policy Manager, on 03 9631 5406 / Brad.Shone@ata.org.au or Glyn Mather, NEM Advocate, on 02 9261 3437 / glyn.mather@tec.org.au

Yours sincerely,



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