

LEGISLATIVE COUNCIL
Question on notice

Tuesday, 17 June 2014

1276. Hon Robin Chapple to the Leader of the House representing the Minister for Energy.

I refer to the recent final rule change on 17 April 2014 by Australian Energy Market Commission (AEMC) to reduce barriers to the connection of embedded generators to distribute networks, making it cheaper, easier and faster for households and business to invest in and install clean and renewable energy systems, and I ask:

- (a) why do the new rules not apply to Western Australia, when Victoria, Queensland, New South Wales, South Australia and Tasmania are all going to adopt them;
- (b) was the Minister involved in discussions with the AEMC when they were determining the recent rule change;
- (c) if no to (b), why not;
- (d) if yes to (b), did the Minister indicate that Western Australian wasn't interested in adopting the new rule change;
- (e) will the Minister consider adopting this new rule change to support the renewable energy industry in Western Australia;
- (f) if no to (e), why not;
- (g) is the deteriorating financial position of Synergy, as recently reported in *The West Australian* article "Synergy hurtles toward red despite State subsidies" on 24 May 2014, the reason why Western Australia didn't adopt the new rule change; and
- (h) does the Government consider added competition to Synergy, by way of residential and commercial solar power systems being added to the network, a financial risk to Synergy?

Answer

- (a) The Australian Energy Market Commission is the statutory rule maker for the National Electricity Market. Western Australia is not part of the National Electricity Market.
- (b) The Minister has not been involved in discussions with the Australian Energy Market Commission regarding the rule change.
- (c) As the rule change does not apply outside the National Electricity Market, it was not considered necessary to discuss the rule change with the Australian Energy Market Commission.
- (d) Not applicable
- (e) No. The rule change relates primarily to the connection of embedded generation systems that are in excess of five megawatts in capacity. It does not affect renewable energy systems of the scale typically installed by households and small or medium sized businesses.

(f) It is not suitable to apply the rule changes in Western Australia as it has isolated networks with necessarily different connection standards to maintain safety and reliability for users. Further, one of the reasons for the rule change relates to networks that have multiple distribution service providers with differing connection requirements. Western Australia has a single distributor in the South West Interconnected System.

(g) No.

(h) Lower electricity consumption can increase financial risk for retailers.

M. Vahan