

Submission Relating to the NEG --- Response to Draft Detailed Design Consultation paper

by D Gillett [REDACTED] dated 13.7.2018

GENERAL COMMENTS

The proposed NEG is too complex and its structure will bake into the power supply system many layers and roles for intermediaries to ensure that the power system will suffer even more from fees/costs to the detriment of the cost to the consumer than is currently obvious in the superannuation system.

The NEG does nothing to correct one of the major flaws so clearly evident in the NEM.

There is no overarching planning body with custodial and engineering intellectual horsepower required for the integration of thought and action required by such a complex engineered system at the heart of the NEM which is currently viewed as just a market for electrical energy. The NEM has this major flaw and the NEG just ignores that. It will perpetuate the position that the power supply system is overseen by several agencies for instance who have in total less than 10% of the senior managers and directors as power system engineers.

The industry is just a group of individual corporations pushing their own products and corporate interests – there is no body properly manned and organised with appropriate authority and accountability to oversee/plan the NEM as an integrated system.

The Finkel report did identify this problem in a low-key way but it has been ignored by all.

The fact that the AEMO has been asked to produce an overall plan by the Finkel recommendations shows that in all the time the NEM has been operating – no one has been doing this. Is it then any surprise that we are in the mess that we are if nobody has had the responsibility to plan and integrate the system.

Market forces will not integrate the NEM as a coherent engineered system to provide electric energy at the lowest cost or even at globally competitive prices.

A return to clear state-based responsibility and accountability for power supply is required – the current position is that the states are just on the fringes with many avenues to duck overall responsibility but engage in show pony self-serving tactics detrimental to power consumers and which only degrade a complex system requiring much long-term oversight and planning.

The states can be made responsible for meeting emissions targets set by the commonwealth but otherwise carry total responsibility for the power supply system.

SPECIFIC COMMENTS

Section No.	Issue	D Gillett Response
2.2	<p>Reducing prices and improving affordability</p> <p>“..... Business has also experienced large increases in prices..... This is undermining the international competitiveness of Australian business and the economy”</p>	<p>The discussion about electricity prices in the NEG paper revolve around wording such as “lowering prices” and “improving the affordability of electricity”.</p> <p>This is not ambitious enough and the paper does concede that our competitiveness is being undermined</p> <p>The NEG overall target should be to supply power at the <u>lowest cost</u> or, at a minimum, at <u>globally competitive prices</u> while meeting emissions targets ... just targeting more affordability is too weak.</p> <p>As conceded in 2.2 we are already suffering from impacts on our competitive position</p>

Thank You and Regards David Gillett