



29 September 2017

COAG Energy Council Secretariat  
GPO Box 787  
Canberra ACT 2601

Dear Ministers,

Infigen Energy thanks you for the opportunity to provide a submission on the draft Bill that seeks to introduce a Ministerial Power to make rules recommended by the Energy Security Board and approved by the COAG Energy Council.

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**Introduction to Infigen Energy**

Infigen is a business actively participating in the Australian energy market. It is a developer, owner and operator of generation assets delivering energy solutions to Australian businesses and large retailers.

Infigen has 557 MW of installed generation capacity across New South Wales, South Australia and Western Australia with a further 113 MW under construction in New South Wales. It sells the electricity and Large-scale Generation Certificates (LGCs) through a combination of medium and long term contracts and through the spot market. Infigen is looking to diversify and expand its customer base and will grow its generation portfolio in response to strong price and investment signals. In the short term it is targeting expansion in New South Wales and entry into the Victorian and Queensland regions of the National Electricity Market. Infigen will seek to do this through sales of electricity and LGCs and construction of assets within its development pipeline in those regions. Infigen is also developing innovative products with large customers.

The following section contains Infigen's responses to the list of questions that stakeholders were asked to consider.

**1. Does the proposed mechanism for the making of Rules by the Minister deliver the desired outcome of timely implementation of the Energy Security Board's recommendations?**

It is not clear that it is the case that the proposed mechanism will deliver timely implementation of the Energy Security Board's (ESB) recommendations. The ESB must first recommend the proposed rule and then unanimous approval of the COAG Energy Council/MCE is required. Because stakeholder consultation (of any duration) is not mandatory, it is likely that adversely affected stakeholders of a proposed rule change will engage directly with one or more of the COAG Energy Council members, which (if the stakeholders arguments are accepted) could result in the unanimity at the Energy Council being difficult to achieve.

**2. Is the mechanism for the proposed Rule making process sufficiently robust by requiring a Rule be recommended by the ESB and MCE before it can be made by the Minister?**



Yes, but Infigen would also recommend that a mandatory stakeholder engagement is undertaken prior to the proposed rule being recommended to the MCE.

**3. Does this Bill deliver on the intention that Rules made by the Minister utilising this power become indistinguishable from all other Rules over which the AEMC has jurisdiction?**

Infigen believes so.

**4. Is it clear that the ESB will be required to apply the same rule making test as the AEMC in its making of Rules utilising this process?**

Infigen believes so.

**5. Are there any changes to the draft Bill that you consider may better deliver on the desired outcome?**

Yes. Infigen would also recommend that a mandatory stakeholder engagement is undertaken prior to the proposed rule being recommended to the MCE. Infigen's primary concern here is that there are a plethora of expert forums and working groups in operation and proposed by various regulatory bodies that will have input into the ESB. In some cases these forums and working groups are not a sufficiently representative stakeholder group. Recommendations from these groups may filter up through this process and mechanism with the presumption that adequate consultation has already taken place. While Infigen appreciates that timely implementation of rules is a desired outcome of the mechanism, Infigen believes that a short mandatory consultation process is also appropriate.

Please feel free to contact me directly in relation to Infigen's submission.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Ross Rolfe".

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