

29 September 2017

COAG Energy Council Secretariat
GPO Box 787
Canberra ACT 2601

Dear Mr./Madam Secretary,

Re: The draft bill to introduce a Ministerial Power to make rules recommended by the Energy Security Board and approved by the COAG Energy Council.

Reposit commends the COAG Energy Council on implementing the recommendations made in the Finkel review. However, we do have concerns for the structure, consistency and transparent operation of a NEM that is subject to two rule making bodies. That is, the AEMC and potentially the COAG Energy Council.

It is well recognised that there have been instances where AEMC processes have not delivered timely rule changes. There is thinking that suggests that during this time of transition in the NEM, more rapid rule change processes are required.

Reposit believes that increasing the timeliness of determinations is something that can be achieved within the AEMC. It does not require the introduction of a second rule making body.

My perspective is as the CEO of a New Energy company currently operating in the NEM with more than 1000 customers. Our successful market entry has been enabled by the economic consistency, technology agnosticism and predictability that the NER currently embody. They have allowed Reposit to recognise emerging price signals in the various wholesale markets, and to develop technology, partnerships and business models to deliver capacity into those markets.

This is what the NEM was designed to do. Our perspective is that the fundamentals of the NEM are operating soundly. Reposit's early success in delivering capacity to the NEM is a testament to this.

We have concerns regarding electricity retail competition, and the reliability of centralised dispatchable capacity – but these failings have not been brought about due to the inadequacy of the NER, or the AEMC.

The recent 5-minute settlement draft determination recently handed down by the AEMC is indicative of their willingness to address the

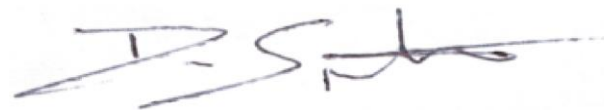
evolution of the NEM as new challenges arise. This rule change will result in lower wholesale energy costs, improved system flexibility and greater overall security.

Reposit was a participant in the rule change process. We were glad to find that our perspective and reasoning were able to be meaningfully contributed, even though we are a relatively small player in the market. We are concerned that rule changes enacted outside of an AEMC consultation process would likely reduce the ability of innovators to participate in the evolution of the NEM.

The NEM has been largely well served by the AEMC since before market start. In this time of grid transformation, we consider it essential that the AEMC remains the sole rule making body.

Thank you for considering our submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Spaccavento', with a long horizontal flourish extending to the right.

Dean Spaccavento
CEO