

A few
words.

The Independent Competition and Regulatory Commission
GPO Box 296
Canberra ACT 2601

By email: icrc@act.gov.au

4th March 2010

Dear Secretariat,

AGL welcomes the opportunity to submit to the Independent Competition and Regulatory Commission (ICRC) comments on the *Draft Report Electricity Feed-in Renewable Energy Premium: Determination of Premium Rate* (February 2010). This submission follows AGL's earlier correspondence to the ICRC in December 2010 on the *Electricity Feed-in Renewable Energy Premium Issues Paper* (Report 9 of 2009, November 2009).

AGL is pleased the ICRC has considered the incentives and drivers that encourage consumers to adopt small-scale renewable energy generation. AGL notes the ICRC's conclusion that due to the current combination of incentives for renewable energy generation, a 50.05c/kWh is higher than is needed, and will have a relatively greater impact on electricity bills in the ACT. The ICRC's draft view of a premium rate of 37c/kWh in 2010–11, is based on the view that a 10-year payback period for a typical 1.5 kW generator is reasonable. AGL considers that the FiT should be limited to residential installations and should be set at a rate that is commensurate to the benefits that these installations provide consumers.

AGL is pleased that the ACT and other jurisdictions across Australia are currently working towards a program that will seek to achieve greater harmony of FiT's in Australia. AGL strongly supports the Australian jurisdictions implementing a nationally consistent FiT policy.

AGL is a strong supporter of the deployment of renewable and low emission technologies, and supports the assessment process that the ICRC has engaged to determine the operation of the ACT FiT. Should you have any questions or comments, please contact Simon Kelley, Manager Carbon Policy and Regulation on (03) 8633 7152 or at skelley@agl.com.au.

Yours sincerely,



Tim Nelson
Head of Carbon and Sustainability