

# Ministerial Council on Energy

## Renewable and Distributed Generation Bulletin No. 3

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### **Discussion Paper on Impediments to the Uptake of Renewable and Distributed Generation and Draft National Code of Practice for Embedded Generation**

This bulletin notifies the release of two MCE SCO documents:

- A discussion paper on [Impediments to the Uptake of Renewable and Distributed Generation](#) (R&DG); and
- A [draft Code of Practice for Embedded Generation](#) (COPEG), together with the associated '[consultation paper](#)'.

#### **Impediments to the Uptake of Renewable and Distributed Generation**

In the 2004 Energy White Paper, *Securing Australia's Energy Future*, the Australian Government announced that it would work with states and territories to identify specific rule changes required in the National Electricity Market to maximise the benefits of distributed generation. To give effect to this initiative, the MCE Renewable and Distributed Generation Working Group has prepared a discussion paper on a range of impediments to the uptake of renewable and distributed generation within the National Electricity Market.

SCO is seeking specific comments and/or views on the range of issues to inform the development of policy actions by the MCE. SCO is particularly interested in obtaining the views of energy consumers, consumer advocates, retailers, distributors, generators, and other market participants and institutions with relation to:

- key issues affecting the uptake of renewable and distributed generation (R&DG) that have not been identified;
- the discussion and analysis of the issues identified in the R&DG paper;
- the options and forward processes proposed; and
- other potential options within the remit of the MCE to remove impediments to, and/or promote the uptake of, R&DG in the Australian energy market.

This document also refers to the draft national Code of Practice for Embedded Generation prepared by the Utility Regulators Forum on behalf of the MCE SCO, which has also been released for consultation in conjunction with this paper.

The results of the MCE work on regulatory impediments to the uptake of renewable and distributed generation will also feed into the COAG Climate Change Group's deliberations on developing a national framework for the uptake of renewable and low emission energy technologies.

## **Draft Code of Practice for Embedded Generation (COPEG)**

In March 2004, SCO asked the Utility Regulators Forum (URF) to undertake an assessment of possible items that could be included in a distributors' code of practice for embedded generation. The URF, with assistance from PB Associates, have prepared a draft COPEG and an accompanying consultation paper, and presented these documents to the MCE in late 2005.

In November 2005, the Ministerial Council on Energy (MCE) agreed on a framework for the transfer of specified retail and distribution regulatory functions to a national regulatory regime, with enabling legislation by the end of 2006 and the transfer of economic regulation of distribution networks to the national regime by 1 January 2007. This framework and the ongoing energy market reform process agreed to by the MCE affect how the draft COPEG might be introduced within the National Electricity Market.

To progress this matter, the MCE has agreed to release the draft COPEG, while noting that it should be read in the context of the broader energy market reform process, and that it does not represent a settled or final view of SCO or the MCE. The draft COPEG will be further developed so as to be consistent with the agreed framework for the transfer of specific retail and distribution functions to the Australian Energy Regulator.

MCE SCO is particularly interested in:

- the extent to which the COPEG is able to address some of these issues identified in the R&DG paper, and;
- how should the proposed COPEG be adopted in the proposed national distribution and retail electricity market arrangements.

### **Submissions**

The MCE SCO is seeking written submissions on both documents. It is intended to make electronic submissions publicly available on the Renewable and Distributed Generation section of the Ministerial Council on Energy website at the end of the process. If you do not want all or part of your submission made publicly available, or you consider any part of your submission to be confidential or commercial-in-confidence, you should make this clear in your submission.

Submissions must be received by Friday, 31 March 2006 and addressed to:

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MCE Standing Committee of Officials  
22 February 2006