

SUBMISSION

Transmission Use of System Pricing Methodology – Victoria
7 January 2021

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Thank you for the opportunity to make a brief submission on this matter.

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing, building materials and food processing industries. Combined our members employ over 1 million Australians and pay billions in energy bills every year with increasing energy costs either absorbed by the business, making it more difficult to maintain existing levels of employment or passed through to consumers in the form of increases in the prices paid for many everyday items.

The EUAA's approach to network pricing detail is twofold given any changes can have a different impact on different member companies:

- At a high level we strongly support moves to more cost reflective pricing. We think efficient prices results in the removal of inefficient cross-subsidies and more efficient investment decisions which lead to lower prices in the long run. We recognise that any change will bring winners and losers and there is a need to consider the pace of change and the role of the $\pm 2\%$ side constraint.
- We encourage our individual members to consult with the network (or AEMO in the case of Victoria) on how proposed changes might affect their particular situation. This is a confidential matter between our member companies and AEMO and we do not get involved. I understand at least one of our members has already engaged with you.

With other consultation processes, we have had little time to delve into the detail of the proposed approach. If possible, we would appreciate the opportunity for a longer conversation in the week beginning 18th January 2021 to help us understand the details and give you more specific feedback.

If this is of interest I encourage you to contact:

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Regards



Andrew Richards
Chief Executive Officer