Submitter: Mark Robinson

Q1. Do you agree with the problem definition above? Why, why not?	The benefits that batteries provide in stabilising the grid are not mentioned, but do provide some value to the distribution company so the consumer receive some benefit for that service too. The problem definition is good, but the chart is not the most pertinent to the problem definition. A more relevant chart would the number of small-scale battery installations and potential for vehicle-to-grid connections.
Q2. Do you agree with these principles? Why, why not?	Yes, the payments need to be based on the benefits to the network, which should be assessed in a transparent and consistent manner.
Q3. Do you agree that the principles should only apply to mass-market consumers, or should they apply to larger consumers and generators also? Why, why not?	
Q4. Do you agree the principles should apply to all mass-market DG, including inflexible generation (noting that the amount of rebate provided will still be based on the benefit the DG provides)?	Yes, inflexible generation may be rewarded in some circumstances. However, most likely the price received for inflexible generation will fall since this has been cross-subsidised by flexible generation to date. In general, the price for inflexible DG should be lower than flexible DG which should be lower than a generator that nominates a generation quantity.
Q5. Do you agree with the direction of the guidance that would likely accompany the principles? Why, why not?	In general, the guidance is appropriate. However, there are some issues that would benefit from further guidance. The first issue is the sharing of benefits; the proportion of benefits shared with consumers should be in a certain range, e.g. around 50% otherwise it could be kept very low by distributors. Also, it is unclear what forces retailers to pass-through the benefits to the end-consumers. The second issue is the consistency of pricing since consumers will make investment decisions based on receiving these benefits which may disappear. So, triggers

	for reducing or removing the benefit payment would need to be clearly communicated in advance.
Q6. Are there any additional issues with the principles where guidance would be particularly helpful?	Communication to ICP's that could receive this benefit due to their local distribution network would inform their investment decisions and improve the uptake.
Q7. Do you agree the principles should be incorporated within the Code, rather than being voluntary principles outside the Code? Why, why not?	Yes, the principles of sharing the benefits should be within the Code to ensure adoption and allow the economic benefits to be shared.
Q8. Do you agree with the proposed implementation timeline for this proposal? If not, please set out your preferred timeline and explain why that is preferable.	
Q9. Do you agree the proposal strikes the right balance between encouraging price-based flexibility and contracted flexibility? Why, why not?	Yes, it is requiring implementation of price-based flexibility while allowing contracted flexibility. There needs to be sufficient information sharing and control so that aggregators (and herding consumers) are not switching loads on or off in quantities that de-stabilise the network.
Q10. Do you agree the proposal will lead to relatively minor wealth transfers in the short term, and will lead to cost savings for all consumers in the longer term? Alternative option: prescribed rebates	If the appropriate price signals are transparent and cost-reflective then it should lead to cost savings for all consumers in the long-term. The Australia example has charges for export during peak periods, so would this proposal allow for this?
Q11. Do you agree that more prescriptive requirements to provide rebates will be less workable than a principles-based approach, and therefore should not be preferred? Why, why not? Alternative option: consumption-linked injection tariffs	Yes, a principles-based approach is more practical at least initially due to time constraints and information asymmetry. However, some boundaries on the proportion of benefits that are shared to the end-consumers would be good.
Q12. Do you agree that a consumption-linked injection tariff would not be sufficiently targeted, and therefore should not be preferred? Why, why not?	A consumption-linked injection tariff would not be sufficiently targeted. It assumes that more batteries are needed and therefore incentives are required to achieve this. Incentives or sharing of benefits needs to be based on where they do benefit the network.

Q13. If this approach was progressed, do you think: a) injection rebates should perfectly mirror consumption charges? b) there are sufficient safeguards in place that would allow distributors to avoid over-incentivising injection to the extent that it incurs additional network costs?	a) No, injection rebates should not perfectly mirror consumption charges for small consumers since consumers are dependent on the network and are not guaranteeing a certain power generation. b) There would need to be the capability to charge for injection where it may trigger network investment.
Q14. Do you agree with the objective of the proposed amendment? If not, why not?	Yes
Q15. Do you agree the benefits of the proposed amendment outweigh the costs?	Yes, however the benefits to improve grid stability from having batteries connected are not explicitly included.
Q16. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in section 15 of the Electricity Industry Act 2010.	Yes
Q17. Do you have any comments on the drafting of the proposed amendment?	