

Level 9, 243 Edward St,
Brisbane, QLD 4001, Australia
ABN 21605682684

25 July 2022

Energy Security Board
Level 15, 60 Castlereagh St
Sydney NSW 2000
E: info@esb.org.au

Dear whom it may concern,

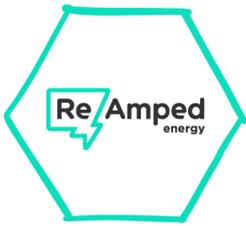
ReAmped Energy welcomes the opportunity to provide feedback to the Energy Security Board (ESB) on the Capacity Mechanism High-Level Design Paper. Whilst we are supportive of solutions aimed at driving the transition to renewable energy, we also believe that any solution selected must be cost efficient; balancing the need for reliability with consumer affordability.

A capacity mechanism is just one of the solutions for an orderly transition

Given the current issues experienced with supply in the Australian energy market there is potential for a capacity mechanism to be introduced that adds unnecessary cost to consumers energy bills. The ESB should recognise that a capacity mechanism is just one of the solutions being used to progress the transition to zero carbon and is not required to do all the heavy lifting alone. Continued investment by consumers in demand side energy resources (solar and batteries), government funds targeting energy efficiency (e.g. [NSW's Energy Bill Buster program](#)) and committed investments for grid scale batteries will likely provide a large portion of the resilience needed in the future.

Consumer affordability needs to be at the forefront

ReAmped Energy's main concern is that costs spiral well above the benefits delivered and that consumers are worse off for it. We believe it is critical for the mechanism to be laser focused on reducing emissions, which is about both increasing renewable generation as well as displacing coal. And the faster this happens the better! As such we believe coal should be explicitly excluded from the capacity mechanism in the design principles as this could lead to perverse incentives to keep coal generation running longer. Furthermore, we don't believe the ESB has sufficiently made the case for including existing generation at all. If the mechanism is to be cost efficient for consumers it is hard to see how providing an additional revenue stream for existing generation achieves that objective.



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We would also encourage the ESB to consider how costs are passed on and managed in their high-level design paper. Retailers should have the ability to manage their exposure and consumers should have the ability to reduce their costs if they reduce demand or provide capacity at critical times.

ReAmped Energy welcomes further discussion on our submission. Please contact Eleanor Briggs via email: eleanor.briggs@reampedenergy.com.au if you have any questions.

Kind Regards,

A handwritten signature in blue ink, appearing to read 'L. Blincoe'.

Luke Blincoe
Chief Executive, ReAmped Energy Ltd
luke.blincoe@reampedenergy.com.au
+64 27 601 3142