

26 May 2017

DPC.ESTRegulations@sa.gov.au

RE: ENERGY SECURITY TARGET CONSULTATION

Altura Group (Altura) and Delta Electricity (Delta) write as interested parties to South Australia's Energy Plan and the proposed *South Australia Electricity (General) (Electricity Security Target) Variation Regulations 2017* under the *Electricity Act 1996*, which is currently open to receive submissions.

Altura and Delta are co-developing a South Australian pumped hydro project in the Upper Spencer Gulf with 230MW capacity and a forecast financial close late 2018.

The project has the credentials to support many of the objectives of the Energy Plan such as more competition in the local energy market, scheduled, flexible power generation and supporting a higher penetration of intermittent renewable resources.

The Energy Security Target and specifically the *South Australia Electricity (General) (Electricity Security Target) Variation Regulations 2017*, is a welcome policy solution and market based instrument to support development of local scheduled power generation through technologies such as pumped storage hydro. Our interpretation of the draft regulation is energy generated through pumped storage hydro will be eligible for electricity security certificates, meeting accreditation requirements of 44EC.

Whilst the draft regulation meets the objectives of the Energy Security Target as drafted, some doubt arises through reference to the *Renewable Energy (Electricity) Act 2000* where within the *Renewable Energy (Electricity) Regulations 2001*, excludes pumped storage from creation of renewable energy certificates as the technology is a net consumer of energy through storage and dispatch of energy. It is worth considering any unintended exclusions by referencing pumped storage hydro specifically under the definition of an eligible fuel source.

We thank you for the opportunity to comment and look forward to ongoing consultation.

Sincerely,

A handwritten signature in black ink, appearing to read "Rosahlena Robinson".

Rosahlena Robinson
Director

A handwritten signature in black ink, appearing to read "Luke Donovan".

Luke Donovan
Executive Manager Market Development