

Enquiries: Patrick Lim
(08) 8290 9025 / 0427 104 870

24 May 2017

Government of South Australia
Energy Security Target Regulations
By Email: DPC.ESTRegulations@sa.gov.au

Dear Sir/Madam,

Energy Security Target

LMS Energy Pty Ltd (LMS) are pleased to have the opportunity to be able to provide feedback into the new Energy Security Target (EST). Based in South Australia (SA), LMS is a leading renewable energy and carbon abatement company with 30 years of industry experience. We own and operate more than 23 renewable energy facilities across Australia with a total generating capacity slightly above 50 Megawatts. These are all reliable base-load facilities focused on operating at capacity, 24 hours a day, seven days a week. Currently, we have two sites in SA, still to be developed, with the potential to generate synchronous base load electricity.

Over the last twelve months SA and its Government have endured many criticisms regarding renewable energy and the State's energy security. LMS is pleased to see that whilst enduring these criticisms, the State Government continues their support for the renewable energy industry within SA. With the announcement of the state energy plan early in 2017, LMS believes there is opportunity to further encourage growth within the renewable energy industry, driven by the EST.

The draft EST legislation provides a strong foundation for discussion and LMS believes that the EST has potential to facilitate further base-load renewable energy development within the state. However, this opportunity is missed due to Subdivision 2 Section 44EC(1)(a) which requires applying facilities to be scheduled generators (within the meaning of the National Electricity Rules) to participate in the EST. This requirement excludes all renewable energy generation currently operating in SA, leaving only gas fired generators with the ability to be accredited under the EST.

We feel that accreditation should be based on the merits of the generation facility. Small synchronous generators, providing base-load generation, should be eligible for accreditation if they can meet the requirements set out under 44EC(1), other than being a scheduled generator. We would expect that these generators prove they are base load, hence adding to SA's energy security,

CORPORATE HEAD OFFICE

79 King William Road
Unley, South Australia 5061
T (08) 8291 9000
F (08) 8291 9099

2/48 King William Road
Goodwood, South Australia 5034
T (08) 8291 9030
F (08) 8357 2700

1/132 Ross Court
Cleveland, Queensland 4163
PO Box 48, Cleveland
T (07) 3821 7687
F (07) 3821 7689

which can be supported through AEMO standing data. This support would be in lieu of the dispatch requirements scheduled generators are subject to, ensuring that capacity is not withheld from the State's power system.

LMS asks that the SA Government amends the EST draft legislation to allow small (non-scheduled) synchronous renewable energy generators, providing base-load electricity generation to participate. This amendment can help stimulate new investment into SA's economy, add to its energy security and increase employment opportunities by supporting growth within the renewable energy industry.

LMS welcomes any further opportunity to contribute to the formation of this critical policy, so should you like to discuss any of the matters raised here please feel free to contact me on (08) 8291 9025.

Yours sincerely,



COMMERCIAL
Patrick Lim