Response by Energia to the CER Consultation CER/13/210

Installed Capacity Cap

11 October 2013
1. Introduction

Energia is pleased to respond to the above CER consultation CER/13/210 which is proposing to increase the installed capacity cap applicable to renewable generators, with a possible modification being the higher of:

1. the nearest whole generator unit above the MEC of the site; or
2. 120% of the MEC of the site.

It is furthermore clarified, as per existing rules, that the Installed Capacity Cap does not and will not allow generators to generate more than their contracted MEC at their connection point.

2. Feedback

Fundamentally, Energia does not consider it necessary to have an installed capacity cap and there is no convincing evidence to support the need for it. We accept that generators should not generate more than their contracted MEC at their connection point. No further restrictions are required.

Economic considerations alone will be the natural limiting factor because there are no financial benefits in generating above MEC and there are costs associated with installing more capacity than is optimal. Renewable projects need the operational and commercial flexibility to optimise installed capacity without arbitrary and administratively determined installed capacity caps. MEC is the limiting factor. We thus strongly believe that there should be no administrative limits on installed capacity and that the existing capacity cap should be removed entirely.

We would be happy to elaborate on this brief response and would welcome further discussion if that would be helpful.