



14 November 2008

The Australian Energy Market Commission
AEMC Submissions
PO Box A2449
SYDNEY SOUTH NSW 1235

By email: aemc@aemc.gov.au

John Tamblyn
Commissioner AEMC

Reference EMO 0001: Scoping Paper

Review of Energy Market Frameworks in light of Climate Change Policies

This letter is in support of a submission by the Australian Geothermal Energy Association Inc (AGEA) to the AEMC Review of Energy Market Frameworks in light of Climate Change Policies.

AGEA is the national industry association representing the Australian Geothermal Energy Industry. Our organisation seeks to facilitate the development of geothermal energy providing low cost emission-free renewable based load energy to Australian homes and business for centuries to come.

We appreciate the opportunity to make submissions on the issues raised by the AEMC and believe that geothermal energy, complimented with other renewable technologies including solar, wind and other emerging technologies, has potential to represent a viable mitigation measure that will address the environmental and economic challenges of climate change.

In relation to the issues raised in the scoping paper, we have responded to many of the issues and questions raised by the AEMC and have attached a paper for your consideration.

Importantly, the AGEA have also raised other issues relating to the interaction and linkage of issues from other related government policy forms to facilitate the holistic review of energy market frameworks.

The views expressed by the AGEA in the attached paper are underpinned by a McLennan Magasanik Associated Pty Ltd (MMA) studies that independently assess the business development plans of Australia's geothermal energy companies in order to estimate how much electricity generation capacity the Australian geothermal industry expects to deploy by 2020 and at what price.

The MMA report highlights that the Australian geothermal energy industry has a potentially significant contribution to solving Australia's long term climate change challenges. Delivery to market challenges are being considered through other processes but the demonstrated

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potential of the industry to deliver the low cost, large scale based-load benefits of geothermal generation warrants serious consideration.

There is strong interest across all Australian governments in the potential of the Australian geothermal energy industry to assist in meeting future emissions reduction targets in recognition that geothermal energy is emission free, base-load and makes an important contribution to long term energy security goals.

AGEA are continuing to work on developing network connection concepts together with viable transmission solutions that will provide for the connection of a number of generator proponents (geothermal, solar, wind, gas etc) and large mining companies to support a staged approach to large-scale transmission development in the north of South Australia. These connection concepts are continuing to be developed and the AGEA would welcome the opportunity to discuss these with the AEMC.

Please contact me if you have any questions in relation to our submission or would like to discuss the issues raised by the AGEA further.

Yours sincerely



Terry Kallis
Deputy Chairman, Australian Geothermal Energy Association & AGEA Representative to the AEMC Stakeholder Advisory Committee.



Susan Jeans
Chief Executive, Australian Geothermal Energy Association