

DCCEEW AGGREGATED RESOURCES IN THE CAPACITY INVESTMENT SCHEME - CONSULTATION PAPER

5 AUGUST 2025

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our members are the engine room of the Australian economy, producing many of the products that households and business use every day including bricks, glass, steel, aluminium, paper, food and beverages. Combined, our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

EUAA members are focussed on making products that meet their own customers' requirements where energy is just one input to the process albeit a critical one. Their expectation is that the energy industry continues to provide energy services that are fit for purpose and consistent with the National Electricity Objectives (NEO) so that our members can continue to provide a fit for purpose product for their customers.

Thank you for the opportunity to make a submission under the Aggregated Resources in the Capacity Investment Scheme (CIS) - Consultation Paper.

We do not support the inclusion of aggregated resources in the CIS.

The EUAA supports proposed policy and legislative changes where evidence points to an issue and the proposed rule change clearly leads to improved efficiency of markets and/or improved system security and where the costs and risks are appropriately allocated to those best able to manage them. The EUAA does not support approaches that lack evidence, increase costs for consumers or are not consistent with the NEO more broadly.

The CIS is an Australian Government revenue underwriting scheme [specifically designed](#) to accelerate investment in large scale (>30MW) renewable energy generation and dispatchable capacity to assist in delivering the Government's target of 82% renewable electricity by 2030.

The CIS is not, and should not provide [additional](#) financial or underwriting support to projects that already receive financial support through other mechanisms and/or infrastructure that has already been or will be built.

For clarity:

- Virtual Power Plants (VPPs) consisting [of](#) roof top solar and behind the meter batteries receive support through the Small-scale Renewable Energy Scheme [and other government subsidy schemes \(such as rebates\)](#).
- Voluntary Scheduled Resources and Demand Response facilities discussed in the Consultation Paper are existing assets and/or will be built without an investment incentive [through CIS](#)

Further, we are concerned that encouraging additional <30MW generating units and bidirectional units which are exempt from AEMO registration to be included in built through CIS support is likely to will cause:

- increased forecasting errors by AEMO due to a lack of visibility of these type of plant
- more congestion on distribution and transmission lines leading to additional constrained dispatch of large-scale generation
- reduced system security and avoidance of “causer pays”
- network modelling uncertainty for large generation applying for network connections

All of which cost consumers more.

In addition, allowing these technologies to be aggregated and bid into the CIS for “investment support” reads as double dipping, which is currently not allowed under the CIS.

We suggest that DCCEEW allow the CIS to operate as it was intended, and not try to “shoehorn” inappropriate technologies into a successful policy.

Aggregated resources, whether generation, bidirectional units or demand response currently have many options to earn revenue from the NEM; e.g. through the AEMC’s Integrating Price Responsive Resources into the NEM Rule Changes, the Wholesale Demand Response Mechanism or the Reliability and Emergency Reserve Trader mechanism. Additionally, more opportunities are being developed through the NEM wholesale market setting review, the National CER Roadmap and the AEMC’s Pricing Review.

The CIS should not be made more complicated ~~be jumping on the bandwagon of other policies~~, but allowed to focussing on its goal of underwriting large-scale bulk energy generation and capacity.

Additionally, DCCEEW has not demonstrated:

- a market failure that requires intervention and inclusion of aggregated resources in the CIS
- the benefits and/or costs of inclusion of aggregated resources in the CIS to all consumers
- the improvement or detriment of system security and reliability from the inclusion of aggregated resources in the CIS
- the alignment of the proposal with the NEO

The EUAA welcomes further discussions around the issues raised in this submission.

Do not hesitate to be in contact with EUAA Policy Manager Dr Leigh Clemow, should you have any questions.



Andrew Richards
Chief Executive Officer