



Hon Lily D'Ambrosio MP

Minister for Industry  
Minister for Energy and Resources

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Ref: D2015/34830

Mr Chris Pattas  
General Manager, Networks  
Australian Energy Regulator  
GPO Box 520  
Melbourne, Victoria

Dear Mr Pattas

**SUBMISSION TO VICTORIAN ELECTRICITY DISTRIBUTION PRICING REVIEW – 2016 TO 2020**

I welcome the opportunity to present a submission prepared by my department on the regulatory proposals submitted by the five Victorian electricity distribution network service providers (DNSPs) and the Australian Energy Regulator's (AER's) Issues Paper as part of the 2016-20 revenue determination process.

The Victorian Government has a well-established tradition of leadership in driving energy market reform. Victoria's electricity markets have resulted in a productive and efficient energy sector, as demonstrated for the electricity distribution networks by the AER's inaugural annual benchmarking report. Victoria's electricity market provides Victorians with accessible, affordable, sustainable, and reliable energy services.

With the rollout of smart meters now substantially complete, Victorians are well placed to realise the benefits of smart meters and continue to be supplied by the most productive and efficient electricity distribution networks. I support the increased uptake of non-network solutions that are facilitated by smart meters, including demand management and distributed generation, to meet Victorian's demand for electricity.

My primary concern through the revenue determination process is to ensure the regulatory regime builds on the reforms in the Victorian energy market and delivers efficient, well-functioning, productive and competitive markets that continue to serve the long term interests of the Victorian community through efficient access to secure, safe, sustainable and reliable energy.

If you would like to discuss any of the matters set out in the submission, please contact Raif Sarcich, Director – National Energy Market Development, on (03) 9092 1902.

Yours sincerely

**Hon Lily D'Ambrosio MP**  
Minister for Energy and Resources

Date: 12/7/2015

