

## Government Response to Wind Auction Review Recommendations

| # | <i>Recommendation</i>   | <i>Government response</i>  |
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| 1 | Improve the method for calculating the relative cost of electricity based on proposed FiT prices.   | <b>Agreed in part.</b> Full implementation of this recommendation would be challenging for a number of reasons including the fact that National Electricity Market price forecasts are often inaccurate and time-of-day price periods are changing. Paragraph 4.16 of the Wind Auction II Request for Proposals document allows the auction's Advisory Panel to consider net pass-through costs to ACT electricity consumers when making its value for money assessment of each proposal. |
| 2 | Reassess internal resourcing requirements associated with the auction process and administration.   | <b>Agreed.</b> The staff of the Environment and Planning Directorate dedicated to large-scale reverse auctions has recently been increased but remain subject to ongoing budget constraints.  |
| 3 | Maintain the overarching evaluation framework for future auction processes.   | <b>Agreed.</b> The evaluation framework for Wind Auction II is the same as it was for the first Wind Auction.   |
| 4 | Ensure alignment of the EV3 criterion with the ACT Government's recently released economic development strategies and clearly define 'exceptional economic development benefits'. | <b>Agreed in part.</b> It is appropriate to align the EV3 criterion with the ACT Government's <i>Confident and Business Ready</i> strategy as well as its <i>Renewable Energy Industry Development Strategy</i> . It will be difficult to precisely define 'exceptional economic development benefits' without making the criteria overly prescriptive.   |
| 5 | Create one area of responsibility and accountability for scoring proposals.   | <b>Agreed.</b> This will be implemented in the assessment process for Wind Auction II proposals with the Wind Auction Advisory Panel being responsible for all proposal scoring.  |
| 6 | Provide feedback on proposals and/or process outcomes to all Proponents.  | <b>Agreed.</b> All unsuccessful Wind Auction II proponents will be asked by the Wind Auction Secretariat if they would like feedback on their proposal, if they request such feedback it will be provided.  |
| 7 | Clarify FiT payment arrangements by the distributor.  | <b>Agreed.</b> This has already occurred, a document prepared by ActewAGL Distribution on its feed-in tariff payment settlement procedure was sent to all persons that registered to receive Wind Auction II documentation.   |
| 8 | Consider releasing further wind generation capacity within the next six months  | <b>Agreed.</b> Wind Auction II opened for proposals on 10 August 2015 and closed on 14 October 2015.  |