

31 May 2018

Ms Suzanne Falvi  
Executive General Manager  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Electronic Lodgement: ERC 0238

### **Consultation Paper – Reinstatement of long notice Reliability and Emergency Reserve Trader**

Dear Suzanne,

Energy Networks Australia welcomes the opportunity to provide a submission to the Australian Energy Market Commission on the Consultation Paper – Reinstatement of long notice Reliability and Emergency Reserve Trader (RERT).

Energy Networks Australia is the national industry body representing businesses operating Australia's electricity transmission and distribution and gas distribution networks. Member businesses provide energy to virtually every household and business in Australia.

Energy Networks Australia agrees with the RERT assessment framework objectives of minimising market distortions, minimising costs and promoting reliability of the power system. Given the heightened risk of load shedding in near term summers, especially in Victoria and South Australia, Energy Networks Australia supports in principle reinstatement of the long notice RERT to enable AEMO time to procure reserves for summer 2018/2019.

In light of the expedited nature of this rule change and the consequential changes to the RERT Guideline and Procedure, Energy Networks Australia supports the long notice RERT having a sunset date of no more than two years.

It is important that the subsequent enhanced RERT rule change progresses in a timely manner to enhance the safeguards and the RERT principles outlined in NER 3.20.2 (b). Ultimately the costs of the use of the RERT mechanism in the longer term are borne by customers. The need to balance cost to customers and reliability would benefit by broader engagement through the normal Rules consultation.

Energy Networks Australia considers that there would be benefit in improving:

- the transparency and governance arrangements of the contracting process;  
and
- the availability of price caps.

Energy Networks Australia notes that the Reliability Panel RERT Guideline and the AEMO RERT Procedure would both need to be updated to be consistent with the expedited rule. Energy Networks Australia supports a transitional rule being made as a pragmatic approach to make the proposed amendments in the RERT Guideline.

Energy Networks Australia looks forward to commenting on the finer details on the enhanced RERT mechanism, including the possible overlap and interplay with the National Energy Guarantee's procurer of last resort functionality, in due course.

Should you have any queries on this response please feel free to contact Verity Watson on 0404 098 597 or [vwatson@energynetworks.com.au](mailto:vwatson@energynetworks.com.au).

Yours sincerely,



**Andrew Dillon**

**Chief Executive Officer**