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### **Submission to AEMC Draft Rule Determination Enhancement to the Reliability and Emergency Reserve Trader**

BlueScope Steel (**BlueScope**) welcomes the opportunity to provide comments in response to the AEMC's draft rule determination for the Enhancement to the Reliability and Emergency Reserve Trader (RERT).

BlueScope is Australia's largest steel manufacturer and the only flat steel producer. We employ 6,500 people in Australian regions and cities to supply our nationwide customers in the building and construction, manufacturing, transport, and agriculture sectors. BlueScope also exports steel products and is a global leader in premium coated and painted steel products, operating in 17 countries.

As a large electricity consumer, energy affordability, reliability and security are fundamental to the competitiveness of our business. Over recent years, BlueScope has transformed its operations to return to profitability. Keeping domestic production costs competitive remains paramount and energy is a major cost in steelmaking. More expensive energy directly affects our capacity to invest and provide employment.

Historically, issues of electricity supply and reliability have not been regarded as particularly high risks to BlueScope's Australian operations, largely due to the reliability and security of supply available within the National Electricity Market (NEM). However, assessments showing a reduction, and potential shortfalls, in the dispatchable capacity in the NEM, and the incidence of load shedding events on low reserve days in Victoria and NSW in the last year, are raising concerns about the increased risk and likelihood of future unserved energy events impacting on the security of BlueScope's process critical operations.

Reliable supply is important to BlueScope; unplanned outages would be costly and have long term implications for our operations. But it is also important that the system performs to the reliability standard in the most cost effective and efficient manner. BlueScope believes that RERT is an important component of the overall reliability framework and we support the intent of the draft determination to allow AEMO to procure and utilise appropriate RERT resources at lowest cost to consumers.

With respect to providing specific feedback on the draft determination, BlueScope supports the submission made by the Energy Users Association Australia.

Please contact BlueScope's *Manager Energy Sourcing and Utilisation* on (02) 4240 1749 if further comment or clarification is required.

Yours sincerely

A handwritten signature in blue ink, appearing to read "BCarter".

Bridgette Carter

Manager Energy Sourcing and Utilisation

BlueScope Steel