



Meridian Energy Australia Pty Ltd
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Australian Energy Market Commission
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Email: aemc@aemc.gov.au

Dear Australian Energy Market Commission

GRC0051-DWGM Improvement to AMDQ Regime Rule 2019

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group or Powershop) thanks the Australian Energy Market Commission (AEMC) for the opportunity to provide comments on the DWGM Improvement to AMDQ regime rule change request.

The MEA Group is a vertically integrated generator and retailer focused entirely on renewable generation. We opened our portfolio of generation assets with the Mt Mercer and Mt Millar wind farms. Subsequently, in early 2018 we acquired the Hume, Burrinjuck and Keepit hydroelectric power stations, further expanding our modes of generation. We have also supplemented our asset portfolio by entering into a number of power purchase agreements with other renewable generators, and through this investment in new generation we have continued to support Australia's transition to renewable energy. Powershop has also been active in supporting community energy initiatives, including providing operational and market services for the community-owned Hepburn Wind Farm, supporting the Warburton hydro project, and funding a large range of community and social enterprise energy projects through our Your Community Energy program.

AMDQ Contract Regime

The MEA Group believes that improvements can be made to the AMDQ contract regime. The current process of auctioning the entire AMDQ capacity from SWP and Culcairn for a five-year tenure makes it extremely challenging for market participants. This is particularly apparent for new entrants with highly dynamic and evolving portfolios.

The MEA Group suggests that blocks of AMDQ be contracted in tranches every year allowing market participants and new entrant retailers to more regularly adjust their position. An example of how this might work would be to auction 33% of total available AMDQ capacity each year for a period of three years. The total market AMDQ would always be contracted by market participants however the overlapping auction cycles and an annual auction regime would allow participants to manage and adjust portfolio requirements more regularly. This relatively simple adjustment would provide greater flexibility and could be enacted alongside the existing market framework in which trading of AMDQ in AEMO systems is already possible.

If you have any queries or would like to discuss any aspect of this submission please do not hesitate to contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J. Mulder'.

Justin Mulder
Head of Energy Markets
Meridian Energy Australia
Powershop Australia