



EnergyAustralia

LIGHT THE WAY

12 July 2019

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Lodged electronically: www.aemc.gov.au (ERC0267)

Dear Commissioners,

AEMC 2019, 5 Minute Settlements and Global Settlements Implementation, Consultation

EnergyAustralia is one of Australia's largest energy companies with around 2.6 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own, operate and contract an energy generation portfolio across Australia, including coal, gas, battery storage, demand response, solar and wind assets with control of over 4,500MW of generation in the National Electricity Market (NEM).

EnergyAustralia welcomes AEMO and the AEMC's efforts to identify and resolve required amendments to the 5 Minute Settlements and Global Settlements rules. EnergyAustralia is supportive of the proposed changes, particularly the changes to accommodate fast-start plants in dispatch. We have substantive comments on two of the proposed changes.

1. Proposal to remove rules consultation on administrative and simple amendments to the spot market operations timetable.

We acknowledge that this proposed change would align amendment processes with other AEMO procedures, and that the majority of elements within the spot market operations timetable are prescribed in the National Electricity Rules, which take precedence over the timetable in the event of inconsistency. However, we suggest that AEMC only removes rules consultation requirements for administrative changes, such as where a change of rules requires a change to the timetable, rather than any change that AEMO deems to be 'simple'.

Consultation processes are crucial now as the market is undergoing continuous modifications to meet future needs. In principle we are supportive of efforts by AEMO to improve dispatch information provided to participants, however, we have concerns that AEMO's definition of 'simple' may not be consistent with participants. Changes to the spot operations timetable could trigger system change requirements for participants to be able to receive data provided by AEMO, in accordance with the timetable. Without a rules consultation, it is not clear how we would be formally notified of the changes. Further, changes that AEMO determine to be simple, may in fact not be simple from a

participant's perspective and there will be no recourse for AEMO to engage with stakeholders to identify and work through such issues with market participants.

We recommend AEMO have the ability to amend the timetable to implement any changes required by a rule change, as these have already undergone a stakeholder consultation process, formatting and non-content related changes, but for all other changes AEMO should be required to consult with participants. Any changes that could affect participants should be consulted on as AEMO's notification process cannot be relied upon to advise participants of changes if there is no rules consultation requirement.

2. Clarification on when retailers will receive UFE data

EnergyAustralia understands that the amendments to the requirements on when AEMO must publish UFE data seek to ensure that AEMO will have the information it requires to produce indicative UFE data from 1 July 2021. We seek guidance from the AEMC as to the completeness of the data that retailers can expect from this date. Will AEMO make UFE data available progressively from July 2021, or will complete data be available from 1 July 2021? It is our preference that complete data is available from July 2021, rather than data being made progressively available, so that retailers are able to assess their financial liability, and its monthly stability, before global settlements commences in February 2022.

If you would like to discuss this submission, please contact Georgina Snelling on 03 9976 8482 or Georgina.Snelling@energyaustralia.com.au.

Regards

Sarah Ogilvie

Industry Regulation Leader