



17 October 2019

The Commissioners
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Sent to: AEMC by online lodgement

Dear Commissioners

**System Restart Services rule change proposal
Consultation Paper
ERC0278**

Major Energy Users Inc (MEU) is pleased to provide its thoughts on the issues raised in the proposed rule change for System Restart Services.

The MEU was established by very large energy using firms to represent their interests in the energy markets. As most of the members are located regionally and are the largest employers in these regions, the MEU is required by its members to ensure that its views also accommodate the needs of their suppliers and employees in those regional areas. It is on this basis the MEU and its regional affiliates have been advocating in the interests of energy consumer for over 20 years and it has a high recognition as providing informed comment on energy issues from a consumer viewpoint with various regulators (ACCC, AEMO, AEMC, AER and regional regulators) and with governments.

The MEU stresses that the views expressed by the MEU in this response are based on looking at the issues from the perspective of consumers of electricity but it has not attempted to provide significant analysis on how the proposed changes might impact generators, TNSPs and other stakeholders.

In the proposal from AEMO for a rule change regarding the System Restart Services, AEMO proposes that it should be subject, not to the System Restart Ancillary Services (SRAS) Procurement Objective¹ when acquiring the needed services, but to the

¹ This objective is that AEMO must use reasonable endeavours to acquire *system restart ancillary services* to meet *the system restart standard* at the lowest cost

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National Electricity Objective (NEO). The MEU is concerned at the implications of this proposed change in requirement.

AEMO is already obliged by the Rules to ensure that its actions are bound by the NEO but the SRAS procurement objective imposes a tighter and less flexible requirement on the acquisition of these services. The Reliability Panel has primary carriage of the reliability requirements of the NEM and implicitly, only constraining AEMO to the NEO and not the SRAS procurement objective, reduces the role of the Reliability Panel in setting the standards for reliability in the NEM and its role in balancing the multiple elements that must be assessed to ensure that the “long term interests of consumers” is provided

If the Reliability Panel role is to be diminished then this aspect should be assessed explicitly rather than as part of a rule change which ostensibly is about the specific issue of the best approach to acquisition for SRAS.

The MEU also notes that AEMO considers that it should define what System Restart Support Services (SRSS) are and which AEMO is to acquire to enable a system restart. The MEU considers that these services should be defined by the Reliability Panel, detailed in the Rules and be subject to the SRAS procurement objective rather than having them defined by AEMO.

The MEU considers that transparency is better served by Reliability Panel being the primary determiner for SRAS and SRSS requirements and for AEMO to have clear direction as to how it is to acquire these services.

The MEU is happy to discuss the issues further with you if needed or if you feel that any expansion on the above comments is necessary. If so, please contact the undersigned at davidheadberry@bigpond.com or (03) 5962 3225

Yours faithfully



David Headberry
Public Officer