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Amy Wiech  
Project Lead  
Australian Energy Market AEMC  
Sydney NSW 2000  
By online submission

## **Improving security frameworks for the energy transmission, transitional services update paper**

Alinta Energy welcomes the opportunity to provide feedback to the Commission's transitional services directions paper. We would like to thank the Commission its responsiveness to participant feedback in this latest round of consultation and for the excellent quality of the supporting information providing an overview of the status and rationale of the Commission's proposals under this rule change. This material has been helpful in communicating the potential impact of the rule change to the business.

Alinta Energy has the following comments in respect of the questions raised in the directions paper:

### **Question 1: Do you consider that the revised arrangements for type 1 and type 2 contracts provide adequate investment certainty for new technologies and better reflect the new NEO and the pace at which system understanding is progressing?**

The contracting arrangements are sufficiently flexible to provide sufficient investment certainty for new projects that provide transitional services.

We remain concerned that this framework (contracting for services, whether transitional or otherwise) will be seen as an alternative to unbundling and the creation of new markets for ancillary services. The problem of AEMO being unable to specify and assess in the operational timeframe, the requisite level of essential services needed to operate the power system in a secure state will need to be addressed as the power system grows more complex. As this understanding and capability grows, the feasibility of markets for such services should be continually reassessed.

### **Question 2: Are there any further amendments to the transitional services framework you consider are needed?**

Alinta Energy supports the proposed transparency and reporting requirements around trial outcomes and the alignment of type one contracts with the RERT framework seems sensible. It is possible that the sunset for type two contracts may need to be extended for some transitional services, but with the limited visibility on how such contracts may work in practice it is difficult to forecast and the AEMC's proposal to review the framework in 2031 is appropriate.

### **Question 3: Do you consider the transition plan for system security would improve transparency on long term security needs?**

Yes, Alinta Energy supports this.

If you would like to discuss this, please contact me at [hugh.ridgway@alintaenergy.com.au](mailto:hugh.ridgway@alintaenergy.com.au).

Yours sincerely,

**Hugh Ridgway**  
Wholesale Regulation Manager