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John Kim
Project Lead, Review of the form of the reliability standard and the APC
Australian Energy Market Commission
Sydney NSW 2000
By online submission

Review of the form of the reliability standard and the APC

Alinta Energy welcomes the opportunity to provide feedback to the Reliability Panel's draft report.

Alinta Energy commends the Panel on its draft report which recommends retaining the existing forms of the reliability standard and the APC and we note the thorough analysis underlying the finding. As stated in the draft report, there will always be the possibility of rare, extreme events that cannot be foreseen or managed by any formulation of these market settings. In such cases, (and while this is generally an undesirable outcome) there is the last resort of an expedited rule change. In the absence of clear evidence that the existing, well-understood, and stable market parameters are not fit for purpose, the status quo should be maintained.

Alinta Energy has observed a recent tendency from policymakers and certain institutions to pursue reliability without adequate consideration of the value of customer reliability. This is not in the long-term interests of consumers and the Reliability Panel continues to demonstrate the importance of its role in the energy market frameworks.

Noting this, Alinta Energy maintains a preference for CPI indexation over a completely static metric for the APC to ensure it remains fit-for-purpose and therefore reduces the likelihood of a recurrence of the events of 2022.

If you would like to discuss this further, please contact me at hugh.ridgway@alintaenergy.com.au.

Yours sincerely,

Hugh Ridgway
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