

## Contribution to achievement of the national electricity market objective:

### Proposed Change to Pricing Under Market Suspension

The national electricity market objective is to promote efficient investment in, and efficient use of, electricity services for the long term interests of consumers of electricity with respect to price, quality, reliability and security of supply of electricity, and the reliability, safety and security of the national electricity system.

	Efficient investment	Efficient use
Price, quality, reliability and security of electricity supply	<ul style="list-style-type: none"> <li>The proposed change is likely to reduce risks by giving participants more certainty about likely pricing outcomes under extreme events. This arises because under the present rules the method of pricing needs to be reassessed on a trading interval by trading interval basis meaning that it could move very significantly during the period of market suspension. Certainty about pricing is important for efficient investment as the ability of individual participants to manage risks such as system shut-down are very limited.</li> </ul>	<ul style="list-style-type: none"> <li>The proposed change is likely to reduce risks by giving participants more certainty about likely pricing outcomes under extreme events. This arises because under the present rules the method of pricing needs to be reassessed on a trading interval by trading interval basis meaning that it could move very significantly during the period of market suspension. Certainty about pricing is important for efficient use.</li> </ul>
Reliability, safety and security of the power system	<ul style="list-style-type: none"> <li>The proposed change is not expected to have impacts in this area</li> </ul>	<ul style="list-style-type: none"> <li>The proposed change will reduce the workload of NEMMCO operations in ensuring correct pricing in extreme conditions thus allowing operations to concentrate more fully on addressing power system security during the extreme conditions themselves ( eg restart of system following shutdown).</li> </ul>