



4 September 2014

Submissions  
Australian Energy Market Commission  
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## **TRUSTPOWER SUBMISSION: OPTIONAL FIRM ACCESS – FIRST INTERIM REPORT**

Trustpower Limited (Trustpower) welcomes the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on its First Interim Report on Optional Firm Access (OFA), Design and Testing (the Interim Report).

Trustpower is a corporate member of the Clean Energy Council (CEC), and supports the submission made by the CEC.

We would also like to raise the following high-level points in our submission, over and above those raised by the CEC:

- a) We do not support the implementation or continued development of OFA, and see no case for the design and testing to continue.
- b) As an international investor in energy markets such as Australia's National Electricity Market (NEM), we can state unequivocally that rule changes of the nature, which have the potential to significantly impact the profitability of our existing investments, reduce our confidence to invest further in those markets in which such rule changes occur.
- c) We have strong concerns regarding the AEMC's desire only to undertake qualitative analysis of the benefits of OFA. Proposals of this nature require detailed, rigorous bottom-up analysis of the types of decisions expected to be made differently under a new regime.
- d) We have invested and traded in a market with full nodal pricing (New Zealand's) for nearly twenty years, and, combined with financial transmission rights, see it as by far and away the most efficient methodology for solving the problems identified by the AEMC, if such a significant change were deemed to be required. We would be happy to share our experience with the AEMC.



For any questions relating to this submission, please contact me on +61 8 8172 7272 ext 4814.

Regards,

A handwritten signature in black ink, appearing to read "Peter Calderwood". The signature is written in a cursive, flowing style.

**PETER CALDERWOOD**  
**GENERAL MANAGER TRUSTPOWER AUSTRALIA**

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