



**EnergyAustralia**

13 November 2014

Mr John Pierce  
Mr Neville Henderson  
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Australian Energy Market Commission

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Dear Commissioners

Lodged electronically: [www.aemc.gov.au](http://www.aemc.gov.au) (GRC0027)

### Removal of Force Majeure Provisions in the DWGM, Draft Determination

EnergyAustralia welcomes the opportunity to make a submission on the 'Removal of Force Majeure Provisions in the DWGM' Draft Determination. EnergyAustralia is one of the country's leading retailers, providing gas and electricity to more than 2.7 million customers. We own and operate a range of generation and storage facilities, including coal, gas and wind assets, in NSW, Victoria and South Australia.

We welcome the commission's findings to remove the Participant Force Majeure (PFM) and System Force Majeure (SFM) provisions from the National Gas Rules. SFM gives AEMO the option to apply administrative pricing to the market after a PFM event is called. The discretionary nature of the SFM provisions does not give certainty to market participants about the operation of the market in extreme events. PFM is also redundant given that the multiple schedules through the gas day allow the market to respond to major shortfalls. CPT is a catch-all risk measure which acts in a deterministic way while still leaving open causer pays ideology and limiting exposure.

Please contact me for any further information on (03) 8628 4518 or [Ben.Hayward@EnergyAustralia.com.au](mailto:Ben.Hayward@EnergyAustralia.com.au).

Regards

**Ben Hayward**

Wholesale Regulation