



Mr John Pierce
Australian Energy Market Commission
Level 6, 201 Elizabeth Street
Sydney NSW 2000
Lodged via www.aemc.gov.au

Monday, 18 December 2017

Dear Mr Pierce,

RE: Inertia Ancillary Service Market Draft Determination (ERC0208)

ENGIE appreciates the opportunity to comment on the Australian Energy Market Commission (AEMC) inertia ancillary service market draft determination (draft determination).

ENGIE supports the development of competitive markets for provision of system security services, as this is likely to be the most efficient manner in which to procure such services. ENGIE also notes the numerous reviews that are currently underway that impact on power system frequency control, including the AEMC's frequency control frameworks review and the Australian Energy Market Operator's ancillary service technical advisory group deliberations.

Since the issues surrounding frequency control and power system inertia are still under investigation, it is not clear that the proposed inertia market mechanism would be the most effective or efficient arrangement, or that it would advance the national electricity objective. For these reasons, ENGIE supports the AEMC decision not make a draft rule relating to the introduction of a market mechanism for power system inertia at this time.

Australia

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ENGIE trusts that the comments provided in this response are of assistance to the AEMC in its deliberations. Should you wish to discuss any aspects of this submission, please do not hesitate to contact me on, telephone, 03 9617 8331.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Chris Deague". The signature is fluid and cursive, with a prominent initial "C".

Chris Deague
Wholesale Regulations Manager

