

3 April 2008

Dr John Tamblyn
Chairman
Australian Energy Market Commission
GPO Box A2449
Sydney South NSW 1235



BY EMAIL: submissions@aemc.gov.au

Dear Dr Tamblyn

**PROPOSED AMENDMENT TO THE NATIONAL ELECTRICITY LAW
FUTURES OFFSET ARRANGEMENTS**

Please find enclosed the Energy Users' Association of Australia (EUAA) submission to the Rule Change consultation process for the proposed National Electricity Rules (NER) Amendment (Futures Offset Arrangements) Rule 2008.

In relation to the First Rule Change, the EUAA is supportive of the proposal to add an optional Futures Offset Arrangement (FOA) facility to the tools available to Market Participants to meet their prudential requirements to the National Electricity Market Management Company (NEMMCO) under the NER. In relation to the Second Rule Change, the EUAA would support the proposed change to the methodology to be adopted for the calculation of Maximum Credit Limits (MCLs) if further analysis confirmed its beneficial nature. We do however, have some concerns with both Rule Changes and these are documented in the enclosed submission.

Prior to approving any proposed rule changes, we would also like to see the AEMC undertake additional modeling and financial analysis of the likely positive and negative effects of any changes. This is so that likely implications of the changes can be understood and assessed.

Should you wish to discuss this submission in greater detail please contact Mr Jeremy Romanes at the EUAA on (03) 9898 3900.

Yours sincerely

A handwritten signature in black ink, appearing to read "Roman Domanski", written over a white background.

**Roman Domanski
Executive Director**

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