

29 May 2009

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

By email: submissions@aemc.gov.au

Project ref. code: ERC0088

Dear John,

EnergyAustralia Participant Derogation Extension (Settlement Residue Auctions)

Thank you for the opportunity to make a submission on EnergyAustralia's (EA) Rule change proposal which seeks to extend its existing Participant Derogation until 30 June 2012 to allow it to continue to participate in Settlement Residue Auctions.

In 2006, EA and NEMMCO proposed the Participant Derogation on the basis that EA's transmission assets were:

- an incidental part of its business as a retailer and distributor; and
- unlikely to have a material impact on inter-regional settlement residue (**IRSR**) values.

NEMMCO is not aware of any changes to EA's transmission assets or business activities that would allow it to have a material impact on IRSR values in the national electricity market. Consequently, NEMMCO supports EA's Rule change proposal.

We look forward to the AEMC's consideration of our submission. If there are an enquiries regarding this submission please contact Taryn Maroney on (02) 8884 5609.

Yours sincerely,



Brian Nelson
Head of Regulatory Affairs and Compliance

Submission to EnergyAustralia's Participant Derogation Extension

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