

31 July 2017

Christiaan Zuur
Director
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235



Dear Mr Zuur,

Draft determination on the generating system model guidelines rule change

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit law and policy organisation that works for a fair, just and democratic society, empowering citizens, consumers and communities by taking strategic action on public interest issues. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers of electricity, gas and water in New South Wales. PIAC welcomes the opportunity to respond to the AEMC's draft determination on the generating system model guidelines rule change.

PIAC supports AEMO's rule change proposal and the AEMC's draft determination. Noting the great amount of uncertainty and change in the market at this point in time, it is increasingly important that AEMO has all the information required to do its job as the system operator and national planner.

PIAC understands that there is a cost associated with providing information to AEMO and agrees with the AEMC that the long-term benefits to consumers, from more efficient operation, security and investment in the NEM, will far outweigh the costs.

PIAC notes the cost estimated by competitive businesses in arguing against reforms that place obligations on them often appear inflated or at least arbitrary. PIAC cautions against giving credibility to cost estimates that are neither substantiated with detail nor independently verified, as appears to be the case for submissions made to the AEMC for this rule change. PIAC considers that regulated businesses should be able to pass through the efficient costs of complying with the new guideline in any case.

PIAC would welcome the opportunity to meet with the AEMC and other stakeholders to discuss these issues in more depth.

Yours sincerely,

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