



EnergyAustralia

12 February 2016

Mr John Pierce
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Australian Energy Market Commission

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Dear Commissioners

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Review of the Victorian Declared Wholesale Gas Market, Stage 2 Draft Report, 4 December 2015

EnergyAustralia is one of Australia's largest energy companies with over 2.5 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market.

We welcome the opportunity to respond to the Review of the Victorian Declared Wholesale Gas Market. EnergyAustralia has been a major participant in the Victorian wholesale gas market for more than two decades. It is vital to us that the Declared Wholesale Gas Market (DWGM) continues to operate effectively and its operations are reviewed and optimised to meet changing market conditions. Even apparently small changes to wholesale gas market mechanisms and procedures can have a large impact and may require significant change for participants to move to a new model. It's therefore important that changes are assessed and costed at a relatively detailed level to ensure that a reform package is worthwhile.

We have responded to the Commission's East Coast Wholesale Gas Market and Pipeline Frameworks Review where we have given commentary on the changes specific to Victoria. These reviews should not be considered in isolation and as such we have incorporated feedback into a single submission. We ask the Commission to consider the relevant sections from page 5 in EnergyAustralia's corresponding submission when further developing the Review of the Victorian Declared Wholesale Gas Market.

If you would like to discuss this submission, please contact me on (03) 8628 4518.

Regards

Ben Hayward

Industry Regulation Analyst