

I Submissions summary table

Issue	Sub Issue	Organisation	Comment
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	Alinta	Changing the current setting of the reliability standard as a response to the likelihood of extreme weather events is mis-directed as 90% of supply interruptions are due to network matters (p 1)
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	CUAC	The focus of this review should be on network security and reliability (p 3); The AEMC should consider how changes to standards around network reliability emanating from its review will interact with any changes that occur to safety regulation and planning laws at the State level (p 3).
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	Office of Energy Planning and Conservation, Tasmania	Investment should be focused on where it has the biggest impact on the customer. It may well be more effective for the investment to be made in the distribution network. (p 2)
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	Department of Primary Industries, Victoria	The Second Interim report does not recognise the interrelationship between security and reliability events (p 3); if security events were included in Table 2.1 of Second Interim Report, then the reliability standard would have been breached (p 3)
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	Department of Primary Industries, Victoria	The Second Interim Report recognises distortions between regions in generation investment but does not consider distortions within regions between generation and transmission and whether it is economically more efficient to have distortions between regions or within regions.(p 5-6)
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	MEU	Based on empirical observations, the impacts of extreme weather events to date has been more focused on networks rather than generation supply (p 3); generation supply incentives will increase costs of power supply to consumers yet there is no certainty that the incentive will achieve the desired outcome as the incentive is very indirect. (p 26); it may be more economically efficient to augment the interconnectors rather than build new generation (p 27)
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	MEU	Demand side responses would be more productive than focusing on supply side initiatives (p3)

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Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	CUAC	Concerned that the focus is on reliability and security standards of the NEM encourage supply side response; should also encourage demand side response (p 2).
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	MEU	State and federal governments have introduced policy decisions which have distorted the electricity market so MCE should wait until these effects are adequately assessed (p 4)
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	MEU	A cost benefit analysis across the entire supply chain is essential (p 5); the AEMC should not view the impact of extreme weather purely in terms of generation supply, but should be looking to see the overall impact on consumers (p 6) A holistic approach should be undertaken
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	NGF	Changes in the regulated sector can have profound effects on the investment climate for the generation sector (p 2); Insufficient attention has been given to the effect of regulatory transmission and distribution investment decisions have on the investment climate for generation (p 2) On many occasions, additional generation capacity is available at time of peak demand but transmission limitations prevent its dispatch. (p 7)
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	NGF	Supports a single set of transmission and distribution reliability standards would be more appropriate but if this is not feasible/justifiable then there should be consistent management and application of differing standards in transmission and distribution to support investment in the generation sector and operational decisions across regions (p3).
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	Powerlink	Disputes a statement in AEMC consultation paper which states that there are no explicit linkages between reliability standards at each stage of the electricity supply chain; rather suggests that in Qld TNSPs and DNSP participate in joint reliability planning (p 1)
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	Alinta	Opposed to incorporating analysis of the impact of security events on supply interruptions as part of the Reliability Panel's Comprehensive Technical Standards Review; rather considers the AEMC should draw a link between each jurisdiction's transmission planning standards and actual performance in terms of network security and reliability events interrupting electricity supply (p 2)

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Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	TRUenergy	there is a disconnect between market participants and network operations which leads to increases in the cost of capital required for investment, thus increasing energy costs and potentially deferring generation investment (p 2); there should be a better approach to frequency load shedding arrangements (p 2); consideration should be given to better aligning load shedding tables to commercial load shedding opportunities (p 2)
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	ERAA	As the reliability settings do not directly address investments in networks and distribution, nor system security specifically, changes to the reliability settings are not the best mechanism to address the security issue of more frequent extreme weather events (p 1)
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	Origin Energy	Placing undue weight on the generation sector to deliver reliable outcomes (particularly by adjusting the MPC) may not necessarily translate down the supply chain and is unlikely to assist in reducing the frequency of customer supply interruptions. (p 2) The MPC is not the most important driver for generation investment, there are other drivers. (p 2).
Whole of Power System Security and Reliability	Observations in relation to the interaction between the investment regimes (for reliability) between each stage of the electricity supply chain	LYMMCO	Regulated investment in transmission (and to some extent distribution) does not create the appropriate operational climate for generation (p1).
Reliability Standard and Settings	Setting the MPC as a ten year trajectory as more appropriate to provide investment certainty into the future	TRUenergy	A long term trajectory would require a significant risk margin to be built into the MPC to ensure that over the outlook period the MPC remains adequate to allow required investment (p 3) Suggests as an alternative a gateway approach (an upper and lower bound of future MPC) but recognises gateway could be too wide which would add little certainty. (p 3)
Reliability Standard and Settings	Setting the MPC as a ten year trajectory as more appropriate to provide investment certainty into the future	Office of Energy Planning and Conservation, Tasmania	Setting the MPC as a ten year trajectory would provide investment certainty (p 2)
Reliability Standard and Settings	Setting the MPC as a ten year trajectory as more appropriate to provide investment certainty into the future	CUAC	CUAC does not believe that current energy demand forecasting techniques are adequate to set a 10 year trajectory for the MPC (p 3)
Reliability Standard and Settings	Setting the MPC as a ten year trajectory as more appropriate to provide investment certainty into the future	Origin Energy	Do not consider that a 10 year trajectory strikes the most efficient balance between certainty and flexibility in the market. The problems with using and modelling such a trajectory can detract from the perceived certainty benefit.(p 2)

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Reliability Standard and Settings	Setting the MPC as a ten year trajectory as more appropriate to provide investment certainty into the future	LYMMCO	Concerned that a formal 10 year trajectory for the MPC will create further uncertainty, market risk and reduce willingness to enter into longer contracts (p 4); an alternative option is that a trajectory not be used as a formal tool to set price rises and not be used to identify single values (p 5) We propose that a 10 year MPC trajectory be used to identify the possible range of reliability settings based on a range of scenarios and developed by an independent modelling house. The 10 year trajectory would have no formal status in the NER and not endorsed by the AEMC, MCE or Reliability Panel and removed from the formal reliability parameter settings process. (p 5)
Reliability Standard and Settings	Setting the MPC as a ten year trajectory as more appropriate to provide investment certainty into the future	ERAA	Balance in providing long term certainty and ensuring sufficient flexibility to respond to changes in market conditions (p 3); setting long term MPC would provide certainty but may increase costs, however more frequent review of MPC would provide less certainty but may result in more efficient costs (p 3)
Reliability Standard and Settings	Setting the MPC as a ten year trajectory as more appropriate to provide investment certainty into the future	NGF	Steps can be taken to improve investment certainty however the 10 year trajectory raises a number of modelling and implementation challenge that may undermine its viability (p 4); AEMC needs to consider the status and form of the 10 year trajectory (could be written into the NER or informative only with the former making it more certain yet less flexible) (p 5); An alternative would be a trajectory that locks in a range of values over time without specific settings this could help participants manage risk within 10 year trajectory (p 5); Challenging to develop demand growth, fuel costs, capital and other costs assumptions for the purpose of modelling and implementing a 10 year trajectory (p 5); The link between MPC and new generation investment is not a simple dynamic (p 5)
Reliability Standard and Settings	Setting the MPC as a ten year trajectory as more appropriate to provide investment certainty into the future	NGF	A change from a 10 year moving average to an annual measure alone may give rise to increased emphasis on breaches of the reliability standard as compared with the 10 year period when in fact overall performance of the NEM may have been maintained. (p 6)
Reliability Standard and Settings	Whether the current 2 year reviews of the MPC is appropriate or would less frequent reviews provide greater investment certainty?	MEU	There is little need to require increased generation investment beyond that which is occurring now in order to accommodate expected extreme weather events (p 29); MPC should be set for a period of 5 years and market evidence that has occurred under the setting should be addressed in reviewing the setting (p 31)
Reliability Standard and Settings	Whether the current 2 year reviews of the MPC is appropriate or would less frequent reviews provide greater investment certainty?	CUAC	The current system provides adequate investment certainty (p 4)
Reliability Standard and Settings	Whether the current 2 year reviews of the MPC is appropriate or would less frequent reviews provide greater investment certainty?	Office of Energy Planning and Conservation, Tasmania	Undertaking a review every 4-5 years in line with AER's regulatory cycle, with the ability to review more frequently in certain circumstances (p 2)

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Reliability Standard and Settings	Whether the current 2 year reviews of the MPC is appropriate or would less frequent reviews provide greater investment certainty?	LYMMCO	Suggests a longer timeframe may be more appropriate, but further analysis is required. (p 8)
Reliability Standard and Settings	Whether the current 2 year reviews of the MPC is appropriate or would less frequent reviews provide greater investment certainty?	TRUenergy	The current approach is the only feasible approach unless a significant risk premium was incorporated into the MPC settings. (p 3)
Reliability Standard and Settings	Whether the current 2 year reviews of the MPC is appropriate or would less frequent reviews provide greater investment certainty?	Origin Energy	Less frequent MPC reviews may strike a better balance between flexibility and certainty (p 3) We propose that the reliability settings and standards review changes from every 2 years to every 4 years. This enables the previous change to the MPC to be appropriately evaluated before the next review is to take place. These arrangements would not preclude the Reliability Panel or the AEMC from making earlier reviews if the market conditions demand this. (p 3)
Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	NGF	Difficult to justify raising the MPC because it is likely to undermine generator returns (p 4); Wider market concerns regarding changes to MPC such as: transmission congestion risks; generation risk – physical generation failures; credit worthiness of the NEM; market competition; retail barriers to entry (p 4)
Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	CUAC	MPC is a useful check on the abuse of market power and uncompetitive bidding by generators (p 4); The MCE and AEMC should examine demand side approaches to reducing peak demand along with supply side approaches. (p 4); More frequent extreme weather events may in fact reduce the need to increase the MPC (p 4)
Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	International Power Australia	MPC and investment drivers – increasing MPC is an impediment to market efficiency and new investment; a wider assessment of investment drivers is required (p 2); In particular a significant increase in the MPC would cause: i) increased cost associated with transmission congestions likely to cause generators to withdraw capacity from the contract market (p 6); ii) Likely impact will be lower liquidity in the contract market and reduced competition (p 6); iii) Vertically integrated businesses are likely to manage these risks by investing in their own plant, thus increasing market concentration; iv) Combined with reduced contract liquidity and increased prudential requirement will serve as a barrier to entry for smaller retailers; v) Increased maximum prices and pool price volatility, coupled with increased contract prices would lead to regulators/governments more frequent intervention thus increasing regulatory risks and impede investment for generators. (p 7)

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Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	MEU	Demand side responses due to increases in MPC (moving to spot pricing and load shedding as a risk mitigation measure by large electricity users) (p 32); increasing MPC increases costs and risk to all market participants; reduces competition; increases risks causes more failures and RoLR events (p34); increasing risk increases retailer capital requirements; increasing MPC greater rewards for exercising market power; increasing volatility reduces generation contracts; prudential requirements increase; small generation proposal face too much risk (p 34)
Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	Department of Primary Industries, Victoria	If MPC set too high, increased risk of market power and volatility in spot prices. If MPC set too low, insufficient investment. The consequences of setting MPC too low are greater than setting it too high, hence customers long term interests are best setting it too high than too low. (p 3)
Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	Department of Primary Industries, Victoria	If the MPC was set at a level that is more consistent with the value of customer reliability, generators would have a greater incentive to invest in removing constraints in the transmission network that can constrain the level of generation (p 6)
Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	TRUenergy	Concerned that market design leaves risks that cannot be managed by prudent operators (e.g. generators having to deal with constraints due to transmission outages) (p 3)
Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	Origin Energy	Participants can face greater levels of market risk in a market with increasing MPCs (p 4)
Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	LYMMCO	Generators less likely to contract their capacity under a higher MPC because of increased financial risk should physical generation not be available at times of high prices.(p 3); an increase in prudential requirements/obligations may inhibit retail competition (p 4); combined with the Carbon Pollution Reduction Scheme, this would reduce liquidity in the contracts market and has reduced the ability of participants to hedge price risk in the short term. (p 4) Stability and reliability should be appropriately valued (p 4)

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Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	MEU	There is an implicit assumption that there is a close mathematical relationship between USE and MPC. Empirically, once MPC exceeds a certain value, its relation to USE is tenuous and other (some perverse) impacts in the market occur. These impacts are increased volatility and risk, which not only increases costs to consumers but also tends to reduce the incentive to invest in new generation. (p 4) the link between increasing MPC and incentivising new generation investment is weak and indirect – there is no certainty that an increase in MPC will result in more generation being built (p 4). New generation investments not driven by MPC but by firm contracts for electricity supply from “bankable” counterparties. (p 10)
Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	Office of Energy Planning and Conservation, Tasmania	Increase costs of prudential cover for retailers; increase in volatility of pool prices which is likely to lead to higher prices for end customers; leads to increased costs and are customers willing to pay for more improved reliability? (p 2)
Reliability Standard and Settings	What are the wider non-reliability impacts to the NEM of raising the MPC as a mechanism to achieve reliability in a future of more frequent extreme weather events?	ERAA	Focusing on the MPC oversimplifies an otherwise complex set of investment drivers. Higher MPCs might adversely effect retail competition by increasing prudential burden and less market liquidity (p 2)
Reliability Standard and Settings	Do you consider the current reliability standard is appropriate in the context of more extreme weather events in the future?	Alinta	Does not support amendments to existing reliability settings to accommodate ‘acts of god’. adjusting the USE or MPC to take into account increase in extreme events is likely to distort the energy only NEM. It would also increase systematic risk associated with forecast error in terms of probability and impact.(p2) Individual participants’ decision making in response to extreme weather events would be a less costly than amending reliability settings (p 3)
Reliability Standard and Settings	Do you consider the current reliability standard is appropriate in the context of more extreme weather events in the future?	Department of Primary Industries, Victoria	Victoria (VENCORP 2007) conducted a study looking at the value that customer’s place on reliability of electricity. This has not been conducted in other regions. Therefore this study can either be applied to other regions or be used to determine the reliability standards and settings for Victoria which may differ from other regions. (p 3-4)
Reliability Standard and Settings	Do you consider the current reliability standard is appropriate in the context of more extreme weather events in the future?	MEU	Current regional pricing (or market price cap –MPC) is not related to incentives to augment inter-connectors yet interconnection capacity and reliability have a significant impact on regional reliability as measured by USE (p 3)
Reliability Standard and Settings	Do you consider the current reliability standard is appropriate in the context of more extreme weather events in the future?	MEU	The AEMC points out that when USE is averaged over 10 years the reliability of the NEM is very high and well below benchmark. This raises the question as to whether there is a problem at all. (p 19) Current reliability standard of USE = 0.002% is probably more aggressive than might be needed. So USE could be relaxed from the current level with little detriment to consumers while generating some cost savings for the benefit of consumers (p 35)

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Reliability Standard and Settings	Do you consider the current reliability standard is appropriate in the context of more extreme weather events in the future?	TRUenergy	Comfortable with the existing standard and any variation would require a cost-benefit analysis (cost of meeting standard; benefits of avoiding load shedding) to be conducted (p 3)
Reliability Standard and Settings	Do you consider the current reliability standard is appropriate in the context of more extreme weather events in the future?	Office of Energy Planning and Conservation, Tasmania	Suggests that the 10 year rolling average is too simplistic; instead suggests a decaying rolling average would lessen the impact of an outage over time (p2)
Reliability Standard and Settings	Do you consider the current reliability standard is appropriate in the context of more extreme weather events in the future?	NGF	Comfortable with the existing standard (p 6); However, AEMC may consider new methods to improve the market's understanding of unserved energy (e.g. statistical process control: control interval technique)
Reliability Standard and Settings	Do you consider the current reliability standard is appropriate in the context of more extreme weather events in the future?	International Power Australia	Recommend that elements of a statistical process control be utilised to assist with the measurement reporting and control issues for USE (ie, of a control interval for USE) (p3)
Reliability Standard and Settings	Do you consider the current reliability standard is appropriate in the context of more extreme weather events in the future?	LYMMCO	Opposed to narrow view that an increase in MPC will drive significant generation investment and increase reliability as it ignores that the bulk of reliability failures occur within the distribution system (p 5)
Reliability Standard and Settings	Do you consider the current reliability standard is appropriate in the context of more extreme weather events in the future?	Origin Energy	The current reliability standard is designed to trigger more generation investment. Changing the reliability standard may not be the appropriate solution because it is the transmission and distribution ends of the market that are the main source of supply interruptions in the context of extreme weather events. (p 4)
Reliability Standard and Settings	Do you consider the current reliability standard is appropriate in the context of more extreme weather events in the future?	LYMMCO	Maintain the existing 10 year rolling average and annual measures and supplement with an additional 5 year rolling average (p 5); introducing measures which translate outages into expected frequency and duration of events (p5); implementing additional statistical measures to assess whether annual unserved energy outcomes are within an acceptable statistical range (p 5)
Reliability Standard and Settings	Differing MPCs in different regions	NGF	Establishing separate reliability settings for each region may be overall inefficient because it undermines the viability of the NEM and politicises reliability settings in an unacceptable manner.(p 5) On a practical level, it would be near impossible to implement without significantly redesigning other aspects of market operations. Also there would be system security issues that would need to be considered. (p 5)

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Reliability Standard and Settings	Differing MPCs in different regions	Department of Primary Industries, Victoria	The Second Interim report does not recognise that there are already distortions in investment and operational behaviour across the NEM due to fundamental differences between the regions. There are fundamentally different incentives between regions where generation and transmission is privately owned relative to those that are government owned (p 5); The Second Interim Report does not indicate what the materiality of the 'regulatory complexity' that would be introduced if there were differing MPCs between regions. Also prudential requirements would already need to be addressed given the level and volatility of the wholesale market price with the possible introduction of the CPRS. (p 5)
Reliability Standard and Settings	Differing MPCs in different regions	TRUenergy	Concerned with the introduction of different MPCs across NEM for practical and security reasons especially: settlements deficits; impaired inter-regional trade; system security concerns –participants will face a strong incentive to manage their operations in a way that will arbitrage the various price caps posing system security problems; effects on FCAS markets; dispatch system difficulties; move away from an objective of a single national market.(p1)
Reliability Standard and Settings	Differing MPCs in different regions	ERAA	Opposed to having regional MPCs because: it would produce perverse localised investment incentives; ancillary service problems; negative inter-regional settlements residues; system security could be impacted to the extent that participants face incentives to arbitrage between regions (p 2)
Reliability Standard and Settings	Differing MPCs in different regions	Origin Energy	Applying different MPCs that reflect differing jurisdictional expectations for reliability under extreme weather events is inefficient and ineffective – it would increase regulatory risk and distorts investment timing and location incentives and adds administrative complexity.(p 4)
Reliability Standard and Settings	Differing MPCs in different regions	International Power Australia	Opposed to different MPCs because it would be politically untenable (eg. where load was shed in one region with a lower MPC at the same time as that region was exporting power to support customers from being load shed in a higher MPC region); unlikely that NEL objectives would be satisfied; distortion and risk introduced into the investment environment would be severe (p 3); MPC is assumed to be key investment driver however there is no evidence to support this assumption in the current imperfect market. (p 4)
Reliability Standard and Settings	Differing MPCs in different regions	LYMMCO	Opposed to different MPC for each region because it undermines and politicises reliability settings in an unacceptable manner. (p 5)
Technical Standards and Issues	Any specific issues to be reviewed in a review of technical and performance standards in the NEM	Alinta	Suggests that an AEMC technical standards review can test the hypothesis that probabilistic planning standards are better than deterministic planning standards and this would lead to harmonised network planning standards. (p 2)
Technical Standards and Issues	Any specific issues to be reviewed in a review of technical and performance standards in the NEM	Office of Energy Planning and Conservation, Tasmania	There should be an increase in incentives for transmission and distribution NSPs to mitigate the impact of major storms by taking preparative action (p 2)

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Technical Standards and Issues	Any specific issues to be reviewed in a review of technical and performance standards in the NEM	Origin Energy	Ensuring that industry supported recommendations are adopted and implemented in a timely fashion (p 5)
Technical Standards and Issues	Any specific issues to be reviewed in a review of technical and performance standards in the NEM	ERAA	Raised the issue of operating temperature limits on inter-regional transmission assets that may trigger reliability events thus adversely impacting on retailers (p 4); hence a technical standards review could improve this and produce supply reliability and market competition benefits (p 4)
Technical Standards and Issues	Any specific issues to be reviewed in a review of technical and performance standards in the NEM	TRUenergy	Comfortable with detailed consideration of these standards in a broader review (p 3)
Technical Standards and Issues	Any specific issues to be reviewed in a review of technical and performance standards in the NEM	LYMMCO	Technical standards is not a significant driver of reliability and therefore not immediately apparent how technical standards and extreme weather events interact. Support a technical standards review. (p 6)
Technical Standards and Issues	Any specific issues to be reviewed in a review of technical and performance standards in the NEM	NGF	Not immediately apparent how technical standards and extreme weather events interact (p 7); consider that a technical standards review is appropriate (p 7); but NGF supports grandfathering technical requirements to ensure that this does not reduce available capacity. (p 7)
Governance Arrangements	General	LYMMCO	No demonstrated case for change. Supports status quo and retention of the Reliability Panel to establish the standard and settings. (p 7) Do not support any body other than the Reliability Panel lodging reliability parameter rule changes. Of the proposed models, prefer status quo or option 1 but not other options
Governance Arrangements	General	International Power Australia	No demonstrated case for change. Retain the reliability panel and its composition and decision making process is appropriate. Of the proposed models, Option 1 is a marked step backward and opposed to Option 2 and 3. (p 6)
Governance Arrangements	General	Origin Energy	No demonstrated case for change. Supports retention of the Reliability Panel. Supports Option 1 with the following amendments: retain in the NER the level of the reliability standard and settings; retain regular reviews of standard and setting by Reliability Panel with any changes through a Rule Change proces; frequency of reviews from 2 to 4 years; maintain AEMC as key decision-making body; introduce high level policy advice through a MCE SPP (p 6).
Governance Arrangements	General	Department of Primary Industries, Victoria	Supports some change to the arrangements were AEMC receives high level policy advice from MCE and AEMO gives advice on technical and operational matters.(p 7); MPC, CPT, APC and market floor prices are an integrated set of arrangements and should be varied together. (p 6)
Governance Arrangements	General	MEU	The party that decides on setting the reliability standard should rest with the party that also assesses the costs of implementing the standard. (p 23)

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Governance Arrangements	General	NGF	No demonstrated case for change. The AEMC seems to have ignored the potential to improve the current method or that the status quo is appropriate. Regarding Option 2: NGF is not comfortable with the MCE's multiple roles, which require the MCE to provide such a statement, initiate an AEMC review and submit a Rule change. This option would undermine the independence and integrity of the process because the Reliability Panel does not play a fundamental role in developing reliability parameter recommendations (p 9); Regarding Option 3: The NGF is concerned about removing the Reliability Panel from reliability parameter decisions. The AEMC has not provided adequate justification for such a recommendation. We are not aware of any market participant or stakeholder who has suggested that the Reliability Panel is conflicted and ask AEMC to explain its comments (p 10)
Governance Arrangements	General	NGF	Whether the Reliability standards and settings is in the NER (or otherwise) is not as important as ensuring that the process for the determining the settings is robust, not subject to political interference, is conducted in accordance with the NEO and appropriately weighs stakeholder submissions and provides justifiable evidence based outcomes. (p 10)
Governance Arrangements	General	ERAA	Broadly supports Option 1 (p 3)
Governance Arrangements	General	Alinta	Comfortable with status quo - process is sufficiently robust (p 3)
Governance Arrangements	General	Powerlink	Governance model should include expertise and broad representation of the Reliability Panel (p 2)
Governance Arrangements	General	TRUenergy	Supports option 1; retains Reliability Panel; AEMC has a role for Rule change process so no change; considers that there are sufficient safeguards to address unexpected Rule Changes and these processes would mitigate against any unnecessary uncertainty (p 4)
Governance Arrangements	Appropriateness of the MCE to provide a statement of policy principles (SPP)? If so, what form and level of this guidance?	TRUenergy	MCE input should be restricted to high level policy guidance and not quantitative comments (p 4)
Governance Arrangements	Appropriateness of the MCE to provide a statement of policy principles (SPP)? If so, what form and level of this guidance?	NGF	MCE statements of policy principles creates some unease among NGF members. It should be used to outline community expectations and provide high level guidance and not actual proposed reliability settings because a) it is not equipped with expertise to do so and b) it would politicise the process beyond the status quo (p 8)
Governance Arrangements	Appropriateness of the MCE to provide a statement of policy principles (SPP)? If so, what form and level of this guidance?	ERAA	MCE guidance should be at a high level and leave detailed decisions requiring industry expertise to Reliability Panel and AEMC levels so prevents politicisation of the process (p 3)
Governance Arrangements	Appropriateness of the MCE to provide a statement of policy principles (SPP)? If so, what form and level of this guidance?	Powerlink	Comfortable with a MCE SPP as long as it is high level and not prescriptive (p 2)

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Governance Arrangements	Appropriateness of the MCE to provide a statement of policy principles (SPP)? If so, what form and level of this guidance?	CUAC	Strongly supports the provision of policy advice from the MCE around community's expectations and valuation of reliability (p 5); there is a single reliability standard for the NEM but a diversity of consumer values as to the appropriate cost of that reliability (p 5); policy principles should be sensitive to the different values placed on reliability by different aspects of the community, particularly those who are in regional, rural, older or low-income (disadvantaged) customers (p 5)
Governance Arrangements	Appropriateness of the MCE to provide a statement of policy principles (SPP)? If so, what form and level of this guidance?	MEU	MCE should provide policy direction on more issues than just reliability expectations and valuation of reliability such as: advising on the relative weighting between competing elements of the NEO especially the price/reliability trade off; how reliability elements of the supply chain is integrated on a holistic basis to reflect expectations of reliability as the consumer sees electricity supply (p 36); MCE must provide direction as to the overall reliability standard should be at the consumer end of the supply chain and how this is to be measured (p 37)
Governance Arrangements	Appropriateness of the MCE to provide a statement of policy principles (SPP)? If so, what form and level of this guidance?	Office of Energy Planning and Conservation, Tasmania	The MCE should set broad policy principles, but detailed implementation left to experts in industry and regulatory bodies (p 3)
Governance Arrangements	Appropriateness of the MCE to provide a statement of policy principles (SPP)? If so, what form and level of this guidance?	Alinta	Introducing MCE Statement of Policy Principles introduces 'regulatory creep' (p 3)
Governance Arrangements	Appropriateness of the MCE to provide a statement of policy principles (SPP)? If so, what form and level of this guidance?	LYMMCO	Comfortable with a MCE SPP as long as it is high level (p 4).
Governance Arrangements	Appropriateness of the MCE to provide a statement of policy principles (SPP)? If so, what form and level of this guidance?	Origin Energy	Agrees to the introduction of an MCE SPP but not too prescriptive otherwise it would introduce sovereign risk for investors and market participants. Disagree with Option 2 that MCE should state the level of the reliability settings as inappropriate for MCE to be involved in detailed operation of the market (p 5).
Governance Arrangements	Appropriateness of the AEMC to make NEM reliability parameter decisions given the energy market framework governance arrangements established through the AEMA and the NEL.	LYMMCO	Support retention of reliability standards and setting in the NER and current process is sufficiently robust (p 7)

Issue	Sub Issue	Organisation	Comment
Governance Arrangements	Appropriateness of the AEMC to make NEM reliability parameter decisions given the energy market framework governance arrangements established through the AEMA and the NEL.	Office of Energy Planning and Conservation, Tasmania	It is appropriate for AEMC to make NEM reliability parameter decisions given energy governance framework through AEMA and NEL (p 3)
Governance Arrangements	Appropriateness of the AEMC to make NEM reliability parameter decisions given the energy market framework governance arrangements established through the AEMA and the NEL.	NGF	Concerned about removing the Reliability Panel from reliability parameter decisions (p 10)
Governance Arrangements	Appropriateness of the AEMC to make NEM reliability parameter decisions given the energy market framework governance arrangements established through the AEMA and the NEL.	MEU	Reliability need should be addressed at the highest level possible i.e. MCE level; AER should develop the tools to carry out the assessment of supply chain reliability, the price/reliability assessment and for it to recommend to MCE (p 38)
Reliability Forecasting and Information	Do you consider that the current tools regarding demand and capacity forecasting/ information as appropriate in informing investment and outage timing decisions? Please explain your view including reasoning for any suggested improvements.	Origin Energy	Putting a forecast of scheduled generation only would be beneficial particularly when it differs from semi-scheduled/non-scheduled generation; Energy efficiency assumptions for demand and energy projections need to be made more explicit in ESOO and APRs. Forecasting process could benefit from more transparency and linkage with APRs (p 7)
Reliability Forecasting and Information	Do you consider that the current tools regarding demand and capacity forecasting/ information as appropriate in informing investment and outage timing decisions? Please explain your view including reasoning for any suggested improvements.	NGF	Forecasts such as the ESOO provide an important and early signpost of potential problems. However they are by no means a justification for market intervention or an actual trigger for possible investment in generation. These forecasts are no robust enough for this purpose and should not be intended to fulfil this role. (p 14); We are concerned that more onerous obligations may be placed upon market participants based on these forecasts. We support AEMO's commitment to improve data outcomes but would like to see industry representatives in AEMO's working groups. (p 15)

Issue	Sub Issue	Organisation	Comment
Reliability Forecasting and Information	Do you consider that the current tools regarding demand and capacity forecasting/ information as appropriate in informing investment and outage timing decisions? Please explain your view including reasoning for any suggested improvements.	ERAA	ERAA comfortable with current set of tools and supports incremental improvement (p 4)
Reliability Forecasting and Information	Do you consider that the current tools regarding demand and capacity forecasting/ information as appropriate in informing investment and outage timing decisions? Please explain your view including reasoning for any suggested improvements.	LYMMCO	Reliability forecasting and information is indicative only and not sufficiently robust for market intervention or as a signal for new investment (p 8)
Reliability Forecasting and Information	Do you consider that the current tools regarding demand and capacity forecasting/ information as appropriate in informing investment and outage timing decisions? Please explain your view including reasoning for any suggested improvements.	MEU	Current forecasting tools seem adequate for MEU members needs (p 38)
Reliability Forecasting and Information	Do you consider that the current tools regarding demand and capacity forecasting/ information as appropriate in informing investment and outage timing decisions? Please explain your view including reasoning for any suggested improvements.	TRUenergy	Current approach is adequate and incremental changes through AEMO's processes. (p 4)
Reliability Forecasting and Information	Other measures that could be implemented to improve reliability and security in the NEM with respect to more frequent extreme weather events	MEU	RIT- T for interconnectors; recognising demand side responses; longer term demand side reductions from commercial aggregators rather than only looking forward to the next summer (p 38)

Issue	Sub Issue	Organisation	Comment
Reliability Forecasting and Information	Other measures that could be implemented to improve reliability and security in the NEM with respect to more frequent extreme weather events	Office of Energy Planning and Conservation, Tasmania	Better preparation for storm events; better education for customers as to the importance of back-up generation; business continuity schemes to minimise impact of inevitable supply failures. (p 3)
Reliability Forecasting and Information	Other measures that could be implemented to improve reliability and security in the NEM with respect to more frequent extreme weather events	Origin Energy	Changes to the design parameters for networks may improve the power system's ability to manage extreme weather events; improved communication from AEMO and industry bodies with customers during extreme weather events may manage expectations and even prevent it. (p 8)