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Ms Kate Wild
Australian Energy Market Commission
PO Box 2603
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Submitted online through the AEMC portal: www.aemc.gov.au

20 May 2021

Dear Kate,

AGL Energy Limited (AGL) is pleased to provide comment on the Australian Energy Market Commission's (AEMC), consultation paper on the *Settlement under low operational demand* rule change request (ERC0327), put forward by Infigen Energy.

AGL understands the request from Infigen and their proactive attempt to change the non-energy cost recovery formulae to enable settlement and the equitable recovery of funds but AGL believes that now is not the right time to be implementing changes on top on what is already a very busy period with the implementation of other new systems and processes notably the five-minute settlement and wholesale demand response and global settlements. The proposed rule change request from AEMO (ERC0326) will be sufficient to ensure settlement of the NEM from spring 2021 for demand below 1 MW. Any changes to the recovery of non-energy costs mechanism should be determined and implemented through the determination of the *Integrated energy storage systems in the NEM* (ERC0280), consultation paper. There may be some unintended consequences of adopting Infigen's suggestion of the 150MW threshold or some of the alternative options put forward and AGL would prefer that the recovery of non-energy costs mechanism is reviewed, and any subsequent changes made through the above-mentioned rule change request only to ensure any changes are sufficiently tested and considered before any more significant changes are made.

If you have any queries about this submission please contact Marika Suszko, Wholesale Market Regulation Manager at msuszko@agl.com.au.

Yours sincerely,

Chris Streets

Senior Manager, Wholesale Market Regulation