

25 August 2021

Mr Harrison Gibbs
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Australian Energy Market Commission
Sydney South NSW 1235

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By online submission

Dear Mr Gibbs

Discussion Paper – Settlement under low operational demand ERC0327

AEMO welcomes the opportunity to provide feedback on the AEMC's discussion paper on Settlement under low operational demand, published on 5 August 2021.

AEMO appreciates the AEMC extending its consultation and the ability to consider AEMO's submission on the draft rule. AEMO's earlier submission identified that, while there is some ambiguity, the rules do not contemplate payments being made to market participants in cost recovery transactions.

There is an additional clarification that AEMO would like to make. In the course of discussions with affected participants, several questioned the timing of AEMO communications about the availability of resources to implement a flooring solution for market customer energy amounts. It would appear that statements in the AEMC's discussion paper and draft determination may have caused some confusion among market participants. While both documents indicate that AEMO informed the AEMC on 21 May 2021 that it was able to implement a flooring mechanism by the end of 2021, it should be clarified that AEMO informed the AEMC on 21 May that customer energy flooring could be implemented by 1 September 2021.

Should you wish to discuss the matters raised in this submission, please contact Kevin Ly, Group Manager Regulation on kevin.ly@aemo.com.au.

Yours sincerely



Tony Chappel
Chief External Affairs Officer