



The Hon Dr Anthony Lynham MP
Minister for Natural Resources, Mines and Energy

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Mr John Pierce AO
Chair
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Dear Mr Pierce

I welcome the opportunity to make a submission on the Australian Energy Market Commission's recent consultation paper for the *Victorian jurisdictional derogation – RERT contracting* rule change process (ref ERC0283).

I appreciate the reliability challenges that Victoria is facing and efforts being pursued by that government to support Victorian consumers. However, I am very concerned about the potential for the proposed derogation to lead to cost impacts for consumers outside of that state. This is a particular concern given the proposed derogation could lead to interventions in the market until as late as 2028.

As a general principle, consumers outside Victoria should not bear any additional costs as a result of measures that state is pursuing to sure up reliability for its own consumers. Accordingly, I submit that it is essential that any final rule includes explicit requirements to ensure the associated costs cannot be passed through to consumers outside the derogating state. Any final rule should also ensure that the surrounding frameworks provide the ability for the Australian Energy Regulator to monitor and ensure compliance with this requirement.

If you have any questions, please contact Ms Kathie Standen, Deputy Director-General, Energy, Department of Natural Resources, Mines and Energy who will be pleased to assist you and can be contacted on (07) 3181 5113.

Yours sincerely


Dr Anthony Lynham MP
Minister for Natural Resources, Mines and Energy