



11 June 2020

Mr John Pierce AO  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
Sydney NSW 1235

Lodged via AEMC website: [www.aemc.gov.au](http://www.aemc.gov.au)

**RE: DELAYED IMPLEMENTATION OF FIVE MINUTE AND GLOBAL SETTLEMENT CONSULTATION PAPER**

Dear Mr Pierce,

Tilt Renewables is a leading Australasian renewables developer engaged across all stages of project development through to operations. Tilt Renewables currently has 366 MW of operational wind farms across the NEM and New Zealand, plus a further 469 MW in construction/commissioning and over 3 GW in its development pipeline.

Tilt Renewables welcomes the opportunity to provide feedback on the AEMC's rule change consultation paper on the delayed implementation of five minute and global settlement (5MS). The AEMC made a final rule change for 5MS on 28 November 2017 to take effect from 1 July 2021, allowing industry more than 3½ years to prepare for the change. Given the extensive amount of time industry has had available to prepare for 5MS, Tilt Renewables would prefer that there be no delay to its implementation.

The COVID-19 pandemic has been a rapidly evolving situation, as such, there were many unknowns as to how the pandemic would play out when AEMO submitted its rule change request in early April. Australia has been highly successful in relative terms in mitigating the impacts of the pandemic, up to this point the effects of the virus have not been as severe or long lasting as may have been initially anticipated when the rule change request was submitted.

AEMO states that the pandemic has restricted the movement of people to attend work and the availability of healthy people to perform tasks. The reality in Australia is that infection rates per capita have not been large enough to materially impact the availability of healthy people to complete work. The COVID-19 restrictions have not stopped the industry working. It has simply meant new protocols at generation sites to manage the risk and office staff mostly working from home, with at most marginal differences in productivity in this sector as a result. In that context the idea of delaying this reform due to COVID-19 appears more opportunistic than necessary.

COVID-19 has resulted in a marginal reduction in electricity demand putting further downward pressure on spot prices with the affect being reduced revenue for generation not covered by bilateral contracts or internal hedges. However, we note that the change attributable to COVID-19 is no more than typical variabilities associated with temperatures, hydrology, commodity prices and other factors which influence spot prices. Tilt Renewables considers the costs associated with the implementation of 5MS to be negligible in comparison with the advantages it provides and therefore would see no derived benefit in a delay to its start date.

If the AEMC determines that there is merit in the argument for a delay to 5MS and the evidence provided by industry participants justifies a delay, then Tilt Renewables suggests that the AEMC consider as short a delay as



possible, more aligned with the limited impacts that COVID-19 has actually had on the electricity industry in Australia.

Tilt Renewables will be pleased to meet with you to discuss this submission in more detail and provide ongoing support through the consultation process. Please contact the undersigned or Rhys Albanese at [rhys.albanese@tiltrenewables.com](mailto:rhys.albanese@tiltrenewables.com) or 0423 423 797.

Regards,

A handwritten signature in blue ink that reads "Nigel Baker".

Nigel Baker

**Executive General Manager, Generation and Trading  
Tilt Renewables**