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10 May 2018

Submitted: via AEMC website

Reinstatement of Long Notice RERT – expedited rule change process

AGL Energy (AGL) welcomes the opportunity to comment on the Consultation Paper for the Reinstatement of the long notice Reliability and Emergency Reserve Trader (RERT) Rule change proposal

AGL is one of Australia's leading integrated energy companies and largest ASX listed owner, operator and developer of renewable generation. AGL is also a significant retailer of energy, providing energy solutions to over 3.6 million customers accounts throughout eastern Australia. AGL is a customer-focussed business and we endeavour to provide customers with products and services that best meet their diverse wants and needs.

While we do not oppose the treatment of this Rule change request as urgent in this instance, we do have concerns that the threshold required for considering amendments to the National Electricity Rules (NER) in this manner may have not been met. In particular, we consider that AEMO have not provided enough information on the potential risks, and likelihood of those risks eventuating, in requesting use of the expedited process.

With the removal of the long notice period for RERT contracting being subject to a previous full AEMC Rules consultation process, many of the arguments as to why this particularly form of RERT contract was no longer required have already been considered. Given this situation, we would expect a more fulsome discussion of the risks to the market and how the use of long notice RERT contracts would reduce that risk. We are particularly concerned that in progressing the assessment of AEMOs rule change proposal there is a lack of detailed reporting on the use of the RERT mechanism over summer 2017-18.

We would also be concerned that a similarly broad interpretation of the requirements to meet the threshold for an urgent rule change will result in a higher reliance on this mechanism during a time of increasing market change.

We look forward to continuing to engage on this issue. Should you have any questions or comments, please contact Chris Streets on (03) 8633 6758.

Yours sincerely,

Elizabeth Molyneux

General Manager Energy Markets Regulation