

26 July 2018

Sarah-Jane Derby
Australian Energy Market Commission
Email: sarah.derby@aemc.gov.au
Lodged via www.aemc.gov.au

Project Reference Code: ERC0237

Dear Ms Derby,

RE: National Electricity Amendment (Enhancement of the Reliability and Emergency Reserve Trader) Rule 2018 Consultation Paper

Brickworks Limited (Brickworks) welcomes the opportunity to comment on the Australian Energy Market Commission (AEMC) consultation for the National Electricity Amendment (Enhancement of the Reliability and Emergency Reserve Trader (RERT)) Rule 2018 Consultation Paper.

Brickworks is a domestic manufacturer of building products and a large electricity consumer consuming over 90 GWh per annum in the National Electricity Market (NEM) with sites located in all states across the NEM.

Brickworks requires an electricity supply that is reliable with pricing that is affordable. We are concerned by the extremely high cost of \$52.16m that has been passed through to consumers in Victoria and South Australia relating to RERT during 2017/18.

We believe that the RERT requires improvement to provide:

- greater transparency through AER oversight of AEMO actions under RERT,
- forecasting improvement to determine whether RERT will be triggered as proposed under the National Energy Guarantee (NEG),
- greater transparency on the RERT costs incurred in each region and allocated to retailers, and
- that the scheme must have a higher regard for the cost impact that will ultimately be passed through to end consumers.

We do not accept AEMOs position that consumer expectations have changed to favour a higher reliability than is currently set and we fully support the current 0.002% unserved energy (USE) standard. The current reliability standard should be met using a technology neutral approach at least cost to consumers. We do not accept an unlimited cost being passed through to consumers in order to provide gold plated reliability in exceedance of the current reliability standard.

We believe there are potentially significant quantities of demand response availability and we look forward to the concurrent Reliability Frameworks Review addressing the supply barriers to end consumers which restricts our ability to participate directly in the wholesale market.

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Proudly supports



We support the principles outlined in the Energy Users Association of Australia submission.

Brickworks welcomes further discussion with the AEMC on our response and I can be contacted on 0491 222 142 in the first instance.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Melissa Perrow', written in a cursive style.

Melissa Perrow
Group Manager Energy
Brickworks Limited