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Submission on Enhancement to the Reliability and Emergency Reserve Trader

BlueScope Steel (**BlueScope**) welcomes the opportunity to provide comments to the AEMC on the consultation paper regarding the rule change to the Reliability and Emergency Reserve Trader (RERT) requested by AEMO.

BlueScope is Australia's largest steel manufacturer and the only flat steel producer. We employ 6,500 people in Australian regions and cities to supply our nationwide customers in the building and construction, manufacturing, transport, and agriculture sectors. BlueScope also exports steel products and is a global leader in premium coated and painted steel products, operating in 17 countries.

As a large electricity consumer with sites in all NEM regions, energy affordability, reliability and security are fundamental to the competitiveness of our business. Over recent years, BlueScope has transformed its operations to return to profitability. Keeping domestic production costs competitive remains paramount and energy is a major cost in steelmaking. Rising energy costs represent the single largest increase in BlueScope's local production costs. More expensive energy directly affects our capacity to invest and provide employment.

Historically, issues of electricity supply and reliability have not been regarded as particularly high risks to BlueScope's Australian operations, largely due to the significant reserve capacity within the NEM. However, recent assessments showing a reduction and potential shortfalls in the dispatchable capacity in the NEM, along with load shedding events last year, raise concerns about energy reliability for BlueScope's process-critical operations.

BlueScope supports the use of RERT as a last resort measure for ensuring the system meets the reliability standard. With respect to the options presented in the rule change consultation paper, BlueScope supports the position put forward by the EUAA in supporting Option 1; a continuation of the current RERT process based on the reliability standard. Please refer to the EUAA paper for specific comments and feedback.

In addition, given the significant cost this market intervention can impose, we would urge AEMO to address the lack of information available to consumers with regards to RERT costs and allocation of RERT costs as a priority. Specific contract details need not be shared, but at a minimum, information that allows businesses to budget for and reconcile RERT costs should be available as it is for other market costs.

Thank you for the opportunity to provide feedback. If further comment or clarification is required please contact Bridgette Carter, Manager Energy Sourcing & Utilisation on 02 4240 1749 or David Jenkins, Manager Government Relations on 03 9666 4022.

Yours sincerely

A handwritten signature in blue ink, appearing to read "BCarter".

Bridgette Carter
Manager Energy Sourcing & Utilisation