

5 April 2019

Elizabeth Brown
AEMC
Lodged via AEMC website
Project Reference Code EPR0073

Dear Ms Brown,

RE: Consultation Paper, COGATI Implementation – Access and Charging dated 1 March 2019

Brickworks Limited (“Brickworks”) welcomes the opportunity to comment on the Consultation Paper for COGATI Implementation – Access and Charging.

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 does not support dynamic regional pricing nor any change to the wholesale pool price mechanism. Further we are concerned that a recommendation that could result in a fundamental change to the operation of the wholesale market has been embedded in a consultation related to transmission access and charging.

We are highly concerned that a change to the wholesale pool revenues earned by generators will impact the liquidity of financial products and increase the firming costs for renewable generators due to differences between hedging costs calculated by reference to the region reference node and pool revenues calculated by reference to a regional location point.

Further we highlight that the AEMC states in the Fact Sheet on Disorderly Bidding that there has been a relatively small historical cost due to productive inefficiency caused from disorderly bidding. Therefore, there is no justification based on historical costs to warrant changing the wholesale pool price mechanism that may have unintended consequences on the wholesale costs which are passed through to customers.

We believe the underlying issues related to generators facing network constraints is a lack of publicly available information. Information should be made public on expected future unused capacity at key locations together with a register of intended generators to be connected. This information would largely assist developers to avoid proceeding to build new generators at locations where there is not enough space network capacity.

Brickworks welcomes further discussion with the AEMC on our submission.

Yours sincerely,

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

Melissa Perrow
General Manager Energy