

12th November 2019

Australian Energy Market Commission (AEMC)

Email: tom.walker@aemc.gov.au



Dear Sir/ Madam

Re: COGATI – Proposed Access Model EPR0073

The COGATI proposed access model is a reasonable and prudent framework to support efficient investment in generation and transmission assets. Developing strong signals to support locational decisions and transmission risk management is important in an evolving NEM and the AEMC has struck a good balance in the proposed access model. The qualitative logic appears robust and adoption of market based approaches where causer and net beneficiary pays and bears the risks are appropriate guiding principles.

However, significant reforms do carry implementation and transitional risk and maybe unintended consequences that large users are not in a position to bear or diversify these risks away. Whilst quantitative modelling has been proposed to inform the rule change process, market stress testing and risk assessment needs to be sufficient to understand the market risks and degree of compatibility with other regulatory interventions and policy.

Nyrstar looks forward to the next steps of this rule change.

Yours faithfully

A handwritten signature in black ink, appearing to be "Greg Zooeff", written over a horizontal line.

Greg Zooeff
Regional Energy Manager – Nyrstar Australia Pty Ltd

NYRSTAR
HOBART PTY LTD
ABN 49 124 818 113

RISDON ROAD
LUTANA
TAS 7009
AUSTRALIA

T +61 3 6278 4444
F +61 3 6278 4608

info@nyrstar.com
www.nyrstar.com

GPO BOX 377
HOBART
TAS 7001
AUSTRALIA