

29 November 2021

Ms Anna Collyer  
Chair  
Australian Energy Market Commission

Lodged via the AEMC website

Dear Ms Collyer,

**PROJECT ERC0336: Extension of time and reduction in scope of the 2022 reliability standard and settings review**

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in renewable energy and energy storage along with more than 7,000 solar and battery installers. We are committed to accelerating the decarbonisation of Australia's energy system as rapidly as possible, while maintaining a secure and reliable supply of electricity for customers.

The CEC welcomes the opportunity to provide comment on the Australian Energy Market Commission's Consultation paper for the Extension of time and reduction in scope of the 2022 reliability standard and settings review rule change request.

The CEC considers that the role of assessing the reliability settings should not be transferred to the ESB, regardless of whether this is on a temporary or ongoing basis. This approach will significantly reduce industry confidence in the overall governance frameworks of the NEM as it creates a precedent that reduces the role and function of the Reliability Panel.

The Reliability Panel plays a central role in NEM governance, separate to the AEMC, AER and AEMO. This separation provides confidence the reliability standard and settings will be defined solely by reference to achieving the reliability standard at the lowest cost to consumers. Even temporarily moving this power to the ESB will further reduce confidence in the NEM frameworks.

The Reliability Panel's processes are also underpinned by a transparent decision making framework. This is described in both the NER and in subsidiary documents such as the Reliability Panel's RSSR Guidelines. The Reliability Panel is also a purposefully representative and inclusive body. With representatives from consumers, networks, generators and AEMO, its structure provides certainty to industry that all views are heard and accounted for when determining the settings.

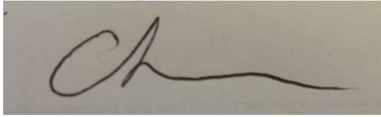
In contrast, the ESB has no equivalent transparency – its methodological approach is opaque, while it has no equivalent consultation and engagement processes. The ESB also has no direct industry involvement, whereas the Reliability Panel can base its decisions based on the practical and applied experience of its industry members.

For these reasons the CEC opposes the proposed rule change from the ESB on the basis that it deviates significantly from established NEM frameworks, with their transparent processes and

avenues for active industry engagement. In doing so, it will reduce confidence in the structure of NEM governance, potentially impacting investment and operational efficiency.

If you would like to discuss any of the issues raised in this submission, please contact me at [czuur@cleanenergycouncil.org.au](mailto:czuur@cleanenergycouncil.org.au).

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'CZ', on a light-colored rectangular background.

Christiaan Zuur  
Director Energy Transformation