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**Updating Short Term PASA rule change – ERC0332**

**Submission via AEMC website**

**11 February 2022**

**AGL Response to AEMC Updating Short Term PASA rule change draft determination.**

AGL Energy (**AGL**) welcomes the opportunity to comment on the AEMC Updating Short Term PASA (**ST PASA**) rule change draft determination (**draft determination**).

AGL is one of Australia's largest integrated energy companies and the largest ASX listed owner, operator, and developer of renewable generation. AGL is also a significant retailer of energy and telecommunications, providing solutions to around 4.2 million across Australia.

The draft determination proposes to amend the ST PASA rules to afford AEMO with additional flexibility to define the ST PASA inputs and outputs. The key change is to introduce a principle based approach to ST PASA.

We broadly support the AEMC draft determination. The draft rule strikes an appropriate balance between providing industry certainty and providing AEMO with the flexibility needed to ensure ST PASA remains fit for purpose. We consider the draft rule addresses several concerns we raised in our submission in response to the consultation paper. In particular, we note below the following features of the draft rule.

- The draft rule preserves the application of the cl 3.7.1 (b) PASA objective to ST PASA. The PASA purpose must remain focused on informing all registered participants to facilitate market solutions to minimise market intervention and unnecessary cost.
- Whilst the draft rules now provide the AEMC with flexibility to define ST PASA, the draft rules still carry across much of the input and output requirements from the current rules (as set out under draft rule cl 3.7.3 (g), (h) and (k)). This feature of the draft rule retains the regulatory certainty of ST PASA and AEMO's reporting requirements.
- The development and amendment of the proposed ST PASA procedures are subject to the rules consultation procedures. The two-stage consultation requirement is necessary to ensure appropriate industry engagement and the opportunity to resolve any uncertainty that may arise as a result of the proposed changes. We note the current AEMC 'Improving consultation procedure' rule change is yet to be settled and may alter the effect of this proposed rule change. The AEMC should consider if additional safeguards are necessary to preserve the two stage consultation requirement for this procedure.

If you have any queries about this submission, please contact Kyle Auret on (03) 8633 6854 or [KAuret@agl.com.au](mailto:KAuret@agl.com.au).

Yours sincerely,

Chris Streets

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