

27 January 2022

Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Submitted by email to *Peter.Thomas@aemc.gov.au*

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## **Extension of time and reduction in scope of the 2022 Reliability Standard and Settings Review, Draft rule determination**

Snowy Hydro Limited welcomes the opportunity to comment on matters raised in the Draft determination from the Australian Energy Market Commission (the Commission) on the Extension of time and reduction in scope of the 2022 Reliability Standard and Settings Review, Draft rule determination.

Snowy Hydro welcomes the Commission's recognition of stakeholder concerns regarding due process and governance associated with the Reliability Standard and Settings (RSS) Review. As stated in our submission, the RSS Review has a critical influence on investment outcomes in the NEM, and it is important that the assessment of reliability settings is conducted in an independent and transparent manner. By retaining the primacy of the Panel, the Commission's more preferable rule will provide market participants with the confidence that the reliability settings will continue to be assessed comprehensively and through an unbiased process.

Maintaining the Panel's review of the settings, together with the proposed extension to August 2022, will allow sufficient time for the Panel to undertake its review and allow the Panel's recommendations to take into account the ESB's capacity mechanism design.

The Panel was created for the purpose of, and continues to be, the most appropriate body to determine reliability settings in the NEM. As a decision-making body, it has a number of advantages over the ESB, including a much broader and more representative membership, which enhances industry support for its decisions. Snowy Hydro believes that the Panel should therefore be responsible for assessing reliability settings even following any recommendation from the ESB that the NEM adopt a capacity mechanism.

### **About Snowy Hydro**

Snowy Hydro Limited is a producer, supplier, trader and retailer of energy in the National Electricity Market ('NEM') and a leading provider of risk management financial hedge contracts. We are an integrated energy company with more than 5,500 megawatts (MW) of generating capacity. We are one of Australia's largest renewable generators, the third largest generator by capacity and the fourth largest retailer in the NEM through our award-winning retail energy companies - Red Energy and Lumo Energy.

Snowy Hydro appreciates the opportunity to respond to the Draft rule determination.

Yours faithfully,

A handwritten signature in black ink that reads "Leigh Creswell".

Leigh Creswell

Snowy Hydro Limited