

Our ref: ERC0341
2 March 2022
Ms Anna Collyer, Chair of Energy Security Board
Mr Charles Popple, Chair of Reliability Panel
Level 15, 60 Castlereagh Street
Sydney NSW 2000

By email: Anna.Collyer@esb.org.au
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Dear Ms Collyer and Mr Popple

Addressing access risks for dispatchable resources (ERC0341) rule change request

On 20 December 2021 the Australian Energy Market Commission (AEMC or Commission) received the *Addressing access risks for dispatchable resources* rule change request.

In it, Snowy Hydro Limited has asked the AEMC to consider amendments to the National Electricity Rules to address issues of dispatchable resources lacking access to the market in times of congestion. It offers a dual price floor – one for dispatchable resources and another for semi-scheduled resources – as a solution.

This rule change request raises issues that intersect with work currently being undertaken by the Energy Security Board (ESB) and Reliability Panel (the Panel). I am writing to you to make you aware of this rule change request, given your current work as the Chairs of these bodies.

The ESB's ongoing work on transmission access reform covers the risks inherent to dispatchable resources under the current market design.

The Panel's ongoing work on the reliability standard and settings review covers the reliability standard and setting, including the national electricity market's price floor.

The AEMC has not yet initiated this rule change request and will not look to do so until after the work of these two important aspects of market design is complete. This is due to, among other things, the complexity the Commission would face in trying to assess the request on its merits in light of your ongoing processes. As such, we wish to bring this to your attention given you may wish to consider the issues and solutions raised in the rule change request in your considerations. When the AEMC initiates the rule change request, we will have as context any considerations that you may have applied to the solution.

Yours sincerely



Mr Benn Barr
Chief Executive, AEMC