

30 October 2023

Genevieve Schulz - Project Lead
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Submitted online: <https://www.aemc.gov.au/contact-us/lodge-submission>

Submission to EPR0091 – Draft report on the Review of the Retailer Reliability Obligation

Dear Genevieve Schulz

Delta Electricity (Delta) welcomes the opportunity to respond to the AEMC's draft report on the review of the Retailer Reliability Obligation (RRO).

Delta supports the draft recommendations of the review, particularly the adjustments related to compliance dates, process simplification, and the ability for AEMO to request the AER cancel a T-1 reliability instrument. These modifications have the potential to significantly improve operational efficiency, reduce regulatory burden, and enhance the overall effectiveness of the RRO.

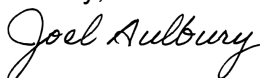
Changing the compliance date for the net contract position from T-1 to T will materially reduce the regulatory burden on industry participants, and the remaining presence of penalties will still encourage liable entities to contract with firmed generation and demand-side management. Maintaining T-1 as the notification date is a practical approach. This realignment not only streamlines the compliance process but also reduces the risk of over or under-contracting, ultimately improving the efficiency of the energy market and the costs that are passed onto consumers.

The recommended changes for initiating T-3 and T-1 triggers are improvements. Allowing AEMO to request a reliability instrument over the longer period of 9-months will provide greater flexibility to AEMO in addressing potential reliability gaps, such as considering new information from an ESOO Updates. The option for AEMO to request the removal of a T-1 instrument under specific circumstances is a pragmatic measure that promotes adaptability and ensures the RRO remains responsive to changing market conditions.

Delta would also support the AEMC self-initiating a review of the overall policy efficiency of the RRO and market liquidity, taking into account new policy mechanisms which may overlap with the operation of the RRO.

To discuss further please contact me at joel.aulbury@de.com.au.

Yours sincerely,



Joel Aulbury
Regulation and Strategy Manager