



15 May 2025

Australian Energy Market Commission (AEMC)

Via AEMC website: www.aemc.gov.au

National Electricity Amendment (Allowing AEMO to accept cash as credit support) Rule

Alinta Energy welcomes the opportunity to provide feedback on the draft rule determination paper regarding the proposed rule to allow AEMO to accept cash as credit support.

We support the rule change proposal noting that accepting cash as credit support will allow some participants to provide credit support at lower cost and increased flexibility. In turn, we believe this supports the necessary conditions to enable a competitive market.

We understand the inclination to propose a cap on the total amount of credit support participants can provide, however, we believe \$5 million is too low to adequately meet the needs of the relevant market participants. We would propose the cap be increased to a minimum of \$20 million. We believe this amount would adequately address credit support needs whilst managing an acceptable risk of clawback.

We support the use of surety bonds as a means of credit support, provided the appropriate mechanisms are in place to adequately vet issuers of surety bonds.

While outside the scope of the review, we see merit in a more comprehensive review of the prudential requirements in both the electricity and gas markets administered by AEMO. We believe a harmonised prudential framework across markets and jurisdictions would serve to: reduce participants' prudential exposure; streamline administrative burdens; support greater competition; and ultimately lower costs for customers.

Thank you for your consideration of Alinta Energy's submission. If you would like to discuss this further, please get in touch with Isidora Stefanovic at isidora.stefanovic@alintaenergy.com.au.

Yours sincerely,

Isidora Stefanovic
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