

AEMC: DRAFT DETERMINATION - NATIONAL ELECTRICITY AMENDMENT (CALCULATING THE CUMULATIVE PRICE THRESHOLD) RULE (ERC0356)

29 JANUARY 2026

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our members are the engine room of the Australian economy, producing many of the products that households and business use every day including bricks, glass, steel, aluminium, paper, food and beverages. Combined, our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

EUAA members are focussed on making products that meet their own customers' requirements where energy is just one input to the process albeit a critical one. Their expectation is that the energy industry continues to provide energy services that are fit for purpose and consistent with the National Electricity Objectives (NEO) so that our members can continue to provide a fit for purpose product for their customers.

Thank you for the opportunity to make a submission under the Draft Determination - National Electricity Amendment (Calculating the Cumulative Price Threshold) Rule.

At the EUAA, we support the design of rules, legislation and procedures that achieve efficient, cost effective and equitable outcomes for networks, generators and consumers. In the energy sector under most circumstances, this is best achieved through a national approach and a sharp focus on the NEO. From our perspective, this has not yet been achieved in the Draft Determination.

Our interpretation of the Snowy Hydro and Delta Electricity rule change requests are to clarify the rules around how AEMO calculates the cumulative price threshold and intervenes in the market. We interpret the intent is to minimise AEMO interventions and allow the market to operate efficiently. We support this approach, as while our members can hedge energy and FCAS costs (either directly or through retailers) and thus limit the impact to their businesses, compensation costs associated with AEMO interventions (including market suspension) are unhedgeable and place cost pressures on commercial and industrial consumers.

We therefore support both Snowy Hydro's and Delta Electricity's rule change requests and AEMC's intent of the draft rules as presented in the Draft Determination. However, we consider that the AEMC has not quite met the objective of "clarifying the rules" when it comes to its current wording of the Snowy Hydro proposal, which could lead to different interpretations and therefore unexpected market interventions.

In discussion with various stakeholders, we support Shell Energy's proposed wording of the rules related to the Snowy Hydro proposal (including reporting requirements), which we consider will leave little doubt as to how AEMO will calculate the cumulative price threshold and when it is likely that AEMO intervention will be necessary. Knowing exactly how the cumulative price threshold is calculated will assist all NEM stakeholders to make informed

strategic business decisions instead of the current uninformed (and reactionary) approach to interventions and market suspensions. With a properly functioning market that limits AEMO interventions, our members will be less exposed to the costs associated with compensation claims.

The EUAA welcomes further discussions around the issues raised in this submission.

Do not hesitate to be in contact with EUAA Policy Manager Dr Leigh Clemow, should you have any questions.



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