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Australian Energy Market Commission
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Sydney, NSW 2000

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EnergyAustralia
LIGHT THE WAY

EnergyAustralia Pty Ltd
ABN 99 086 014 968

Level 19
Two Melbourne Quarter
697 Collins Street
Docklands Victoria 3008

Phone +61 3 9060 0000
Facsimile +61 3 9060 0006

enq@energyaustralia.com.au
energyaustralia.com.au

Calculating the cumulative price draft determination – January 2026

EnergyAustralia is one of Australia's largest energy companies with around 2.2 million electricity and gas accounts across eastern Australia. We also own, operate and contract a diversified energy generation portfolio across Australia, including coal, gas, battery storage, demand response, wind and solar assets, with control of over 5,000MW of generation capacity.

EnergyAustralia appreciates the opportunity to comment on the draft rule, Amending the Cumulative Price Threshold (CPT) Methodology, particularly as it relates to changes to calculating the cumulative price. The draft rule proposes a targeted change to exclude trading intervals from the CPT calculation where prices were set by the market suspension pricing schedule (MSPS) values when a market suspension is not solely caused by an AEMO technological failure.

Our submission focuses on clarifications needed so the final rule cannot be implemented in a way that erodes the protective function of administered pricing during market stress. Without this clarification, MSPS values, if used as inputs long enough, could push the cumulative price back below the threshold even while underlying stress persists.

The NER define the CPT as the sum of prices in the previous 2,016 trading intervals, a fixed seven-day look-back for both energy and market ancillary services, and AEMO's Guide to Administered Pricing reflects that architecture in its operational guidance. Maintaining the integrity of this seven-day history is central to the reliability settings' safety-net function.

We support the intent to prevent MSPS values from diluting the CPT signal and as identified by the AEMC, which correctly distinguishes between:

- suspensions where AEMO still operates central dispatch and normal pricing under NER 3.14.5(a); and
- suspensions where AEMO sets prices using the MSPS under NER 3.14.5(b).

Scope for clarification in the final rule:

- The exclusion applies only when AEMO sets prices under the MSPS (NER 3.14.5(b)). It does not apply when AEMO continues to operate central dispatch and determine spot and ancillary service prices under NER 3.14.5(a). This avoids inadvertently removing genuine scarcity signals from the CPT when normal price formation continues
- When MSPS intervals are excluded, the CPT calculation should still reflect a full seven-day history of non-excluded prices. Absent this expectation, the effective look-back can shrink as a suspension endures, mechanically depressing the cumulative price and risking an early end to administered pricing once suspension lifts, contrary to the draft determination's objective. The NER and AEMO's guide both frame the CPT as a fixed seven-day window and should continue to do so in this context
- Where a suspension is solely due to an AEMO technological failure, current practice continues (MSPS values feed the CPT). The draft determination already differentiates this case; reiterating it in the final reasons will reduce interpretation risk
- The same treatment applies to energy and market ancillary services under NER 3.14.2(c)(1) and (1A). If AEMO must adjust cumulative price calculations around suspension events (for example, to reflect MSPS linkages between regions), it should do so as soon as practicable to maintain transparency

In adopting these improvements, the rules will more clearly specify expectations during periods of system stress and that AEMO has clear guidance on how to interpret the rules to not unintentionally erode CPT/APC protection during those periods of market stress. Given the rarity but severity of such events, the primary benefit is tail-risk reduction and predictability for participants and consumers, consistent with the reliability framework's objectives.

If you would like to discuss this submission, please contact me via email at AnaSpataru@energyaustralia.com.au.

Regards,

Ana Spataru

Regulatory Affairs Advisor