

31st May 2013

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Submission lodged online at: www.aemc.gov.au
Project Number: EPR0032

**Submission to: Issues Paper
Management of negative inter-regional settlements residues**

Snowy Hydro is responding to Question 2 of the Issues Paper.

On balance we believe the existing \$100,000 trigger is appropriate. This trigger level represents a balance between a number of factors which include:

- AEMO intervening to clamp negative inter-regional settlement residues;
- Maintaining the principle of minimal market intervention;
- The recognition that there are efficient counter price flows; and
- Providing increase certainty to Participants that AEMO would not continually clamp and then unclamp which would arise if the threshold level was lowered.

Snowy Hydro appreciates the opportunity to respond to this consultation. Please contact me on (02) 9278 1862 if you would like to discuss any issue associated with this submission.

Yours sincerely,



Kevin Ly
Manager, Market Development & Strategy