



Government of South Australia

Department of State Development

Bidding in Good Faith Draft Determination

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Importance of Provisions

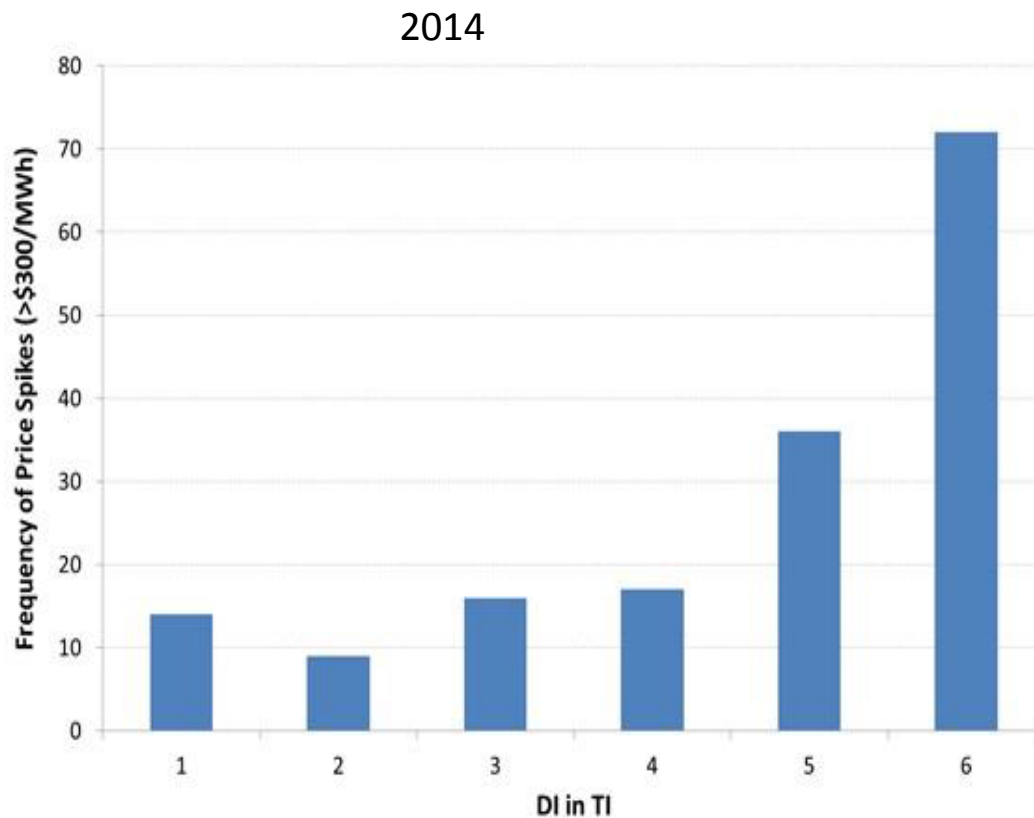
- NEM Ministers' 2002 Statement
- Initial Good Faith provisions
 - Assurance to Market Participants
 - Flexibility to Generators
- Scope of the issue
 - More participants becoming reliant on accurate forecast information

Nature and Magnitude of Problem

- Uncertainty from Stanwell case
- ROAM and Oakley Greenwood findings
 - Late bidding behaviour has resulted in price spikes (Qld and SA)
- Impacts on:
 - prices of financial hedge contracts
 - amount of available demand response

Nature and Magnitude of Problem

The high frequency of price spikes in the sixth dispatch interval for Queensland



AEMC's Draft Determination

- South Australia broadly supports
- Concerns regarding lack of restrictions on intent