

Mr Richard Khoe
Acting Senior Director
Australian Energy Market Commission



Lodged online

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Dear Mr Khoe,

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SACOSS thanks the Commission for the opportunity to comment on the Second Draft Determination on the Bidding in Good Faith Rule Change Proposal.

In general, SACOSS supports the Commission's Draft Determination which will prohibit the making of false or misleading offers. SACOSS supports the South Australian Minister for Resources and Energy and the Commission in the following conclusions:

"The Commission's second draft rule adopts a number of elements of the rule proposed by the South Australian Minister for Mineral Resources and Energy, in particular the requirement that any rebids made to vary an offer to supply the market would need to be made as soon as practicable after the generator becomes aware of the change in material conditions and circumstances on the basis of which the rebid is made.

Both the proposed rule and the second draft rule include a provision to allow a contravention of the rules to be assessed by having a regard to the bidding behaviour of all generating units which the participant has substantial control over. The second draft rule would add a further provision to allow patterns of conduct, such as repeated rebidding late in trading intervals, to be considered." [AEMC, Second Draft Determination: p.vii]

However, SACOSS does not support the Commission's decision to not adopt the proposals in the rule change request to cast the good faith provisions to exclude the non-fulfilment of subjective expectations as a change in material circumstances that could justify a rebid or further rebid. As indicated in our submission to the First Draft Determination, SACOSS fully supports the Minister for Resources and Energy in his view that "A trader's subjective expectation of the effect of a rebid should not, however, be considered as part of the market circumstances on which the rebid was based" [Minister for Resources and Energy response to First Draft Determination: p.3].

We thank you in advance for your consideration of our comments. If you have any questions relating to the above, please contact SACOSS Senior Policy Officer, Jo De Silva on 8305 4211 or via jo@sacoss.org.au.

Yours sincerely,

Ross Womersley
Executive Director