



INTERGEN

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11 June 2015

Mr John Pierce
Mr Neville Henderson
Dr Brian Spalding
Australian Energy Market Commission

Lodged electronically: www.aemc.gov.au (ERC0166)

Dear Commissioners

RE: ERC0166 – Draft Rule Determination National electricity Amendment (Bidding in good faith) Rule 2015

InterGen acknowledges the analysis the AEMC has undertaken to date with respect to the Draft Rule Determination and welcomes the opportunity to make a submission.

InterGen does not support the Draft Rule Determination and believes it is unworkable in its current form. We are concerned that the additional regulatory burden and ambiguity the Draft Rule Determination introduces will negatively impact NEM participants.

We support the esaa submission on this matter. In addition, InterGen has the following concerns:

- It appears that the proposed changes moves us from an efficient market that is known to an inefficient market that is unknown – the amended Rules are unclear and impact on behaviours and market outcomes unpredictable;
- Uncertainty in our market hampers efficient decisions and outcomes around refinancings, investment decisions and liquid hedging markets. This proposed rule change is yet another example of unnecessary tinkering that results in higher risks and costs;
- It is not clear from the proposed amendments that the AEMC understands the workings of the market sufficiently;
- It is unknown what the further detailed guidelines to be developed by the AER may include, given the uncertainty in the Draft Rule Determination itself; and
- The Draft Determination and its enforcement could deliberately skew the bidding parameters to create an unlevel playing field for many market participants and result in an inefficient operation of the market pricing and dispatch.

InterGen would welcome the opportunity to further discuss our concerns with the AEMC to ensure that such a material change to the market is not implemented hastily and without the appropriate knowledge of the potential unforeseen implications and opportunity for sufficient consultation.

InterGen trusts that the AEMC will carefully consider the issues we have raised.

Please feel free to contact me on 07 3001 7116 regarding any queries on this submission.

Yours sincerely



Sam Bristow
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