

8 April 2010

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Dear John

Cost Recovery for Other Services Directions ERC0090

I refer to the AEMC's Draft Determination on the above rule change. We agree with the draft Rule subject to the following clarification.

We note and agree with the submission from the National Generators Forum (NGF) that the proposed drafting of clause 3.15.7A(a1) is likely to be interpreted as a reference to an actual bid or offer. This draft clause uses similar drafting to clause 3.15.7(d), which does apply to an actual bid or offer and contributes to the potential for interpretation as suggested by the NGF.

We also agree that any assessment of a direction should be made at the location of the directed plant. However, we are concerned that terminology such as "hypothetical" may make the rule unintentionally broad.

Accordingly, we suggest clause 3.15.7A(a1) could be redrafted as follows:

In this clause 3.15.7A, a *direction* is a *direction* for services other than *energy services* and *market ancillary services* to the extent that the need for the *direction* could not have been avoided by the *central dispatch* process had there been a valid *dispatch bid*, *dispatch offer*, or *rebid for dispatch* of the *plant* subject to *direction* in accordance with clause 3.8.8 for one or more of the following services...

If you wish to discuss any of the matters identified in this submission, please do not hesitate to contact Brian Nelson on 02 9239 9132.

Yours sincerely



Mark Miller
Acting Executive General Manager Operations

8/4/10