

21 June 2013

Reliability Panel
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Members,

Reliability Standards and Settings Review 2014 Issues Paper

Stanwell Corporation Limited (Stanwell) welcomes the opportunity to respond to the *Reliability Standards and Settings Review 2014 Issues Paper* (the Issues Paper) issued in May. As a major generator in the National Electricity Market (NEM) Stanwell has a keen interest in seeing that the settings and standards which bound the operation of the physical market are set at the optimal level.

As a member of the National Generators Forum (NGF), Stanwell endorses the submission as submitted by the NGF. However our views on the Market Floor Price (MFP) differ to some extent from those expressed in the NGF submission.

Stanwell is content with the MFP being set at the current level. As this represents a fair floor for the off loading price which participants are able to submit to manage minimum load/dispatch requirements of their plant. Stanwell suggests that should the Panel look to alter the level of the MFP down, it must fully investigate whether the benefits of reducing the MFP outweigh the market risks which could be exacerbated by the changes to the MFP. Particularly the increased financial risks to slow start plant inherent in increasing magnitude of the fluctuation and settlement of the spot price at negative prices.

We would welcome the opportunity to discuss these issues with you directly. Our contact on this matter is Mr Oliver Jessup and he can be contacted on 07 3228 4382.

Yours sincerely,



Tanya Mills
Acting Executive General Manager
Energy Trading and Commercial Strategy

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