



15 June 2015

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Submitted Electronically: ERC0166

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Dear Mr Pierce,

Re: Draft Determination - National Electricity Amendment (Bidding in good faith) Rule 2014

Infigen Energy Limited appreciates the opportunity to make a submission in response to the draft recommendation prepared by the AEMC on the proposed National Electricity Amendment regarding bidding in good faith rule 2014.

The related bodies corporate of Infigen Energy Limited that participate in the NEM are Woodlawn Wind Pty Ltd and Lake Bonney Wind Power Pty Ltd, but for convenience we will simply refer to "Infigen Energy" in this submission.

As Infigen Energy's business is the generation of utility scale renewable electricity, we are eager to engage in the process of maintaining a transparent and flexible electricity market. As a wholesale generator, our core operations in the NEM are focused on the appropriate dispatch of our generation and ensuring market stability is maintained.

Our submission on AEMC's draft rule change relates specifically to the additional reporting requirements for rebids made close to dispatch. The draft rule determination states:

- *"in each case that a rebid is made during, or less than 15 minutes before the commencement of, the trading interval to which the rebid applies, the rebidding participant must provide a report to the AER setting out in detail the material conditions and circumstances giving rise to the rebid, its reasons for the rebid, and its justification that the rebid was made as soon as reasonably practicable."*

Infigen Energy is concerned about this section of the proposed rule change because as currently worded, the draft rule may have the effect of introducing a significant compliance burden and would impact the rebidding flexibility that assists in managing the market. Furthermore, we feel that it may have unintended consequences and potentially discourage bidding that may have otherwise improved market conditions and outcomes across the NEM.

Network constraints often limit the output of Infigen Energy's generation and are the cause of the vast majority of Infigen Energy's rebids. Our rebidding process incorporates strategies to assist in alleviating the impact of certain constraints and



optimise dispatched generation. Since forecasts of constraints are often inaccurate and sometimes non-existent, operators must often respond dynamically to a constraint. As such, Infigen Energy's rebidding must take place very near to or during the trading interval to which the rebid applies. In these situations, analysis of market conditions is conducted prior to making a rebid decision, to ensure market stability is maintained.

In our view, conservative rebidding of this nature supports system stability and should not be classified as 'disproportionally influencing price outcomes close to dispatch' or be subject to increased reporting requirements.

The introduction of additional reporting requirements would put significant strain on our small operations team, which would incur considerable extra administrative costs and cause significant detriment to our team's ability to respond dynamically to changes in constraints and other market conditions.

Infigen Energy hopes there will be greater consideration of the discussed draft rule. Should you have any queries regarding this submission, please do not hesitate to contact me directly by telephone (02) 8031 9971 or email niva.lima@infigenenergy.com.

Yours sincerely,

Niva Lima,
Manager Operations Control Centre