



Mr John Pierce  
Australian Energy Market Commission  
Level 6, 201 Elizabeth Street  
Sydney NSW 2000  
Lodged via [www.aemc.gov.au](http://www.aemc.gov.au)

Tuesday, 12 September 2017

Dear Mr Pierce,

**RE: Pricing during market suspension (ref ERC0224)**

ENGIE appreciates the opportunity to comment on the Australian Energy Market Commission (AEMC) consultation paper on pricing during market suspension (Consultation Paper).

Following detailed investigations into the South Australia state-wide blackout on 28 September 2016, AEMO, in collaboration with industry participants, identified a number of issues associated with pricing during market suspension.

AEMO's rule change proposal makes the point that the existing market suspension framework is not well suited to support an extended period of market suspension in the NEM. In particular, AEMO has identified three specific issues with the current arrangements which are:

- **Suspension pricing complexity:** Existing process is unnecessarily complex, requiring detailed and ongoing examination. Two of the four pricing regimes have very limited application.
- **Inconsistency between dispatch and pricing:** The rules currently prevent AEMO moving back to dispatch pricing under market suspension once the normal dispatch process is available.
- **Differences in price-scaling arrangements:** The existing rules create uncertainty for pricing in neighbouring regions, with inconsistencies between price scaling provisions for different circumstances.

The rule change proposal would simplify the decision-making process by removing the neighbouring-region and pre-dispatch pricing options. In addition the rule change would allow AEMO to revert to dispatch pricing during market suspension where practicable, and would also better align the price scaling provisions for market suspension with price scaling for other forms of administered pricing.





ENGIE has supported the AEMO stakeholder engagement process for the preparation of this Rule change proposal, including the participant working group and follow up engagement. ENGIE believes that this process has resulted in a well-considered Rule change which ENGIE supports.

ENGIE trusts that the comments provided in this response are of assistance to the AEMC in its deliberations. Should you wish to discuss any aspects of this submission, please do not hesitate to contact me on, telephone, 03 9617 8331.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Chris Deague".

**Chris Deague**  
Wholesale Regulations Manager

