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Australian Energy Markets Commission
AEMC Submissions
PO Box A2449
SYDNEY SOUTH NSW 1235

By electronic submission: www.aemc.gov.au

Dear Dr Tamblyn

Draft Rule: Cost Recovery for “other” Services Directions: ERC0090

The National Generators Forum (NGF) appreciates the opportunity to comment on the draft determination in relation to cost recovery for “other” service directions.

The NGF is pleased that the Commission has chosen to depart from the originally proposed rule change to make a more preferable Rule based in part on the position put forward by the NGF in its submissions to the two earlier consultations.

We believe that the proposed changes will lead to outcomes which are better aligned to the original intent of the relevant provisions and are also better aligned to the National Electricity Objective.

We have one concern on a matter of detailed drafting. In the proposed 3.15.7A (a1), there is reference to bids, offers or rebids “acknowledged by AEMO in accordance with clause 3.8.8”. Our concern is that this expression is likely to be interpreted as a reference to an actual bid or offer, whereas the intention of the provision can only be realised if the reference is to a hypothetical bid or offer.

The concept behind this provision is that the direction given is classified by reference to the type of service for which it is substituting. Clearly if the service that would avoid the need for the direction were in fact offered, then it would be dispatched and the direction need not be given. Hence it is essential to the context that the provision refers to a hypothetical offer or bid, not an actual one.

We further suggest that it would be helpful if the drafting made clear that the hypothetical bid or offer is to be considered as applying at the location of the directed plant.

We propose that the Commission revise the drafting of this provision to ensure that it is not interpreted in a way that would render it ineffective.

If you have any questions in relation to this submission, please call Ken Secomb on 03 9617 8321.

Yours sincerely



Malcolm Roberts
Executive Director