

3 June 2014

Mr John Pierce
Chairman
Australian Energy Market Commission
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By email

Dear Mr Pierce

Submission on National Electricity Amendment (Bidding in good faith) Rule 2014

AEMO appreciates the opportunity to submit comments on the National Electricity Amendment (Bidding in good faith) Rule 2014 Consultation Paper.

The Federal Court's decision on the AER v Stanwell means that the AER can no longer enforce good faith provisions as part of the generator bid process.

AEMO notes that the South Australian Government is proposing an amendment to the current Rules to restore the original intent of the Rule. AEMO supports that intent as governing participants to make bids in good faith.

AEMO believes that this approach represents good governance and is evidenced in most financial markets worldwide.

AEMO would support the AEMC in restoring the good faith intent in the generator bid process.

Should you have any questions or wish to discuss this submission further, please contact Brian Nelson on (02) 9239 9132 or brian.nelson@aemo.com.au

Yours sincerely



Mike Cleary
Chief Operating Officer