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3 January 2020

Mr Joel Aulbury
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Mr Aulbury

ERC0270 National Electricity Amendment (Improving Transparency and Extending Duration of MT PASA) Rule 2019 – Draft Determination

Ergon Energy Queensland (Ergon Energy Retail) welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC), on its consultation on the *National Electricity Amendment (Improving Transparency and Extending Duration of MT PASA) Rule 2019 – Draft Determination* (Draft Determination).

Ergon Energy Retail notes that ERM Power have submitted an interim submission providing additional supporting arguments for two areas of their original rule change request which the AEMC have not incorporated into the Draft Determination. Ergon Energy Retail supports ERM Power's submission in its entirety.

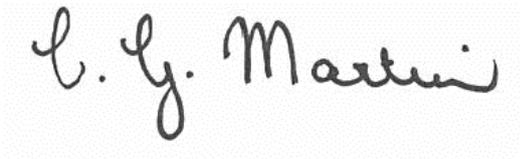
Ergon Energy Retail provides the following comments in relation to this matter:

- The Retail Reliability Obligation (RRO) requires significantly more transparency regarding generation reliability, with three years of outlook needed. In order to adequately fulfil this obligation, electricity retailers require station reliability data out to three years. The components that make up station reliability are seasonal maximum and minimum demand, planned and forecast outage rates and fuel supply. While planned outage data is aggregated (to two years), it involves a great deal of time to disaggregate planned outage data to individual thermal and hydro stations required to assess planned and then forced outage rates. Historic generation and bidding behaviour must also be assessed. ERM Power's recommendations will provide the necessary outage and availability information out to three years, as required to assess generator reliability for the RRO, and reduce the significant information asymmetry the large gentailers have over the smaller independent retailers under the RRO.
- Ergon Energy Retail supports ERM Power's proposal that the Australian Energy Market Operator (AEMO) be required to publish in the MT PASA data the maximum and minimum demand forecast values for probability of exceedance (POE) 50 and POE10 demand traces, as this is necessary for calculating any RRO obligation. We also support AEMO being obligated to provide this level of transparency to all retailers, which have different levels of access to market expertise.
- Finally, Ergon Energy Retail considers a new forecast should also be published in the weekly MT PASA submission whenever there is a material change to market conditions, as this may impact the level of RRO obligations. Waiting for a new Electricity Statement of Opportunities places smaller retailers at a disadvantage as it

would lessen the time available for them to make any arrangements to cover their position.

Should you require additional information or wish to discuss any aspect of this submission, please contact either myself on (07) 3664 4105 or Barbara Neil on (07) 4432 8464.

Yours sincerely

A handwritten signature in black ink that reads "C. G. Martin". The signature is written in a cursive style with a large, looped 'C' and 'G'.

Charmain Martin
Acting Manager Policy and Regulatory Reform

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