



Ref: B/D/16/24791

15 November 2016

Attention: Peter Adams
General Manager
Wholesale Energy Branch
Australian Energy Regulator
PO Box 520
Melbourne VIC 3001

Dear Mr Adams

Consultation on Draft Rebidding and Technical Parameters Guideline

CS Energy appreciates the opportunity to provide feedback on the 'Draft for Consultation Rebidding and Technical Parameters Guideline' (Draft Guideline) released in September 2016.

The Draft Guideline provides further clarity in a number of areas. CS Energy would like to focus on just a few key issues which we consider warrant a more detailed response.

Market Ancillary Services

We refer to section 2.3 of the draft guideline which discusses technical parameters of Market Ancillary Service offers.

As CS Energy understands the AER's expectation in this regard, it is to constantly update FCAS offers to reflect technical capabilities, so that when dispatch occurs, the offer is more likely to reflect SCADA values. This includes updated response breakpoints, enablement limits and capability, throughout the period of pre-dispatch to reflect the assumed plant capability, including when the units are limited by mill ranges and changes in unit availability. This is not always evident in the NEM.

If this remains the AER's expectation, CS Energy's view is that Market Participants would benefit from further clarification in the guideline so that requirements and expectations are clear and Participants can offer accordingly. If this is no longer the expectation, CS Energy would also benefit from further discussion in this regard so that it can consider how to amend its offers.

Rebidding – Information to be provided

Section 3.2.1, third dot point

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PO Box 41
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PO Box 38
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Phone 07 5427 1100
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This covers information to be provided in a rebid reason, specifically the requirement for the time when the participant first became aware of the change in the material conditions on the basis of which it decides to vary its dispatch offer or dispatch bid. This is also relevant for section 3.4 of the Draft Guideline which should not include the time HHMM1. This information is currently recorded by CS Energy contemporaneously in the trader log.

It is important to note that the Rules do not require the inclusion of this additional information in the re-bid.

Further, we note that what may seem like a small requirement potentially results in significant system changes, distraction and cost to market participants.

CS Energy requests that the AER re-considers this in the context of requirements under the Rules for contemporaneous records and clause 32.8.22(c)(3) which covers the ability to request these records. CS Energy maintains that any changes to these requirements should be addressed through a formal Rule change process.

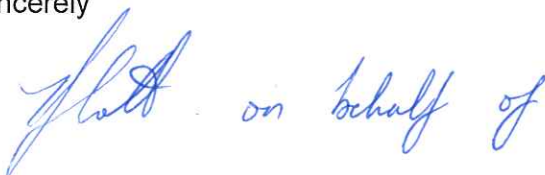
Section 3.2.1, fourth dot point

This covers information to be provided in a rebid reason, specifically where the event relates to a revised AEMO forecast and the requirement for the inclusion of a description of the forecast type and when it was produced. Again, the Rules do not require the inclusion of this additional information in the rebid. Any changes to requirements should be addressed through a formal Rule change process.

CS Energy questions whether this is also to assist the AER in differentiating between when the event happened and when the trader was cognisant of it. If this is the case, where there is a material time difference that is not accounted for, the trader should not make a rebid as they will be potentially exposed to allegations the rebid was not made as soon as practicable.

If this is the case, CS Energy believes that the AER should recognise this in the Guideline. At a minimum the Guideline should advise the trader that where there was a material time difference, they should account for why they had not been aware of the event or refrain from making the rebid. This would be in the trading log.

Yours sincerely



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