

Mr. Craig Oakeshott
Market Performance Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing, building materials and food processing industries. Combined our members employ over 1 million Australians and pay billions in energy bills every year with increasing energy costs either absorbed by the business, making it more difficult to maintain existing levels of employment or passed through to consumers in the form of increases in the prices paid for many everyday items.

The EUAA support the general concept for the Retailer Reliability Obligation (RRO) as a market based measure to support system reliability and future investment. However, we also recognise that triggering the RRO has the potential to increase costs for consumers, which may be justified if reliability, as defined by the Reliability Panel, is at risk. In this regard we strongly support the retention of the .002 reliability standard and have serious concerns regarding the additional costs to consumers of pursuing the Interim Reliability Measure (IRM) of .0006.

We understand the request for a T-3 instrument is based on a forecast breach against the IRM, so in principle we do not concur that a breach of reliability, as defined by the Reliability Panel as a reasonable trade-off between reliability and cost, will actually occur. We are of the view that using the IRM of .0006 as the trigger for a T-3 instrument will only ever lead to unnecessary costs being incurred for no discernible improvement in reliability experienced by consumers.

We are also concerned that recent policy announcements such as the NSW government Electricity Infrastructure Road Map and the Federal Governments comments regarding their willingness to invest in up to 1,000MW of dispatchable generation in NSW were not considered as part of the 2020 ESOO.

We do not have the resources to unpack the 2020 ESOO but are aware that others have serious questions regarding the accuracy of some aspects of it. Therefore, we support the submission made by ERM Power as we believe it identifies a number of potential errors made by AEMO and therefore raises a number of important matters that should be considered before beginning down a path that will lead to unnecessary costs being incurred by consumers.

Therefore, we believe there is significant uncertainty surrounding the potential breach of the Interim Reliability Measure in 2023-24 in New South Wales and therefore do not support AER granting the request for a T-3 instrument.



Andrew Richards
Chief Executive Officer