

Mr Peter Adams General Manager Wholesale Markets Australian Energy Regulator GPO Box 520 Melbourne VIC 3001

Lodged via email: AERInquiry@aer.gov.au

Monday, 16 January 2017

Dear Mr Adams, Peter

RE: Rebidding and Technical Parameters Guideline

ENGIE appreciates the opportunity to comment on the Australian Energy Regulator (AER) draft decision on the rebidding and technical parameters guideline (Draft Guideline). ENGIE notes that these guidelines are being developed by the AER as required by National Electricity Rules clause 3.8.22(e).

ENGIE does not support the changes proposed by the AER to the *form of rebid*. When it became clear that the National Electricity Rule rebidding changes were going ahead, ENGIE began the process of changing its rebidding process and conducting appropriate training for all of its relevant staff. The work to design the bidding system changes and conduct the training was based on the proposed changes to National Electricity Rule clauses 3.8.22.and 3.8.22A.

When ENGIE considered the changes and training needed in response to the "bidding in good faith" rule changes, it took into account, amongst other things, the requirements of rule clause 3.8.22(c), which relates to all rebids, and clause 3.8.22(ca) which relates to late rebids.

National Electricity Rule clause 3.8.22(c) specifies that participants must at the time a rebid is made, provide to AEMO the time of the event adduced by the participant as the reason for the rebid (the time adduced), and the reason for the rebid.

Rule clause 3.8.22(ca) relates only to late rebids, and specifies the information that must be included in contemporaneous records including the time that the participant becomes aware of the need to lodge a rebid (time

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of becoming aware). Clause 3.8.22(ca) does not require participants to provide AEMO with the "time of becoming aware" at the time the rebid is made, and so ENGIE has not developed its processes to do this.

Rule clause 3.8.22(ca) deals specifically with the information requirements for late rebids, and clearly sets out that participants need to make contemporaneous records to meet the requirements of this clause. There is no indication in the rules to suggest that any of the information required by clause 3.8.22(ca) needs to be included in the information provided to AEMO at the time of the rebid.

ENGIE is concerned that the AER guidelines, which are being developed many months after the introduction of the new rebidding rules, are now seeking to impose additional information requirements into the rebidding process. Judging from the submissions to the AER's initial consultation paper, it is apparent that many participants are in a similar position to ENGIE, and have not anticipated or prepared for this additional requirement. ENGIE therefore believes that introducing this additional reporting burden onto participants would impose an unnecessary disruption and cost on all.

ENGIE understands that the AER are seeking a streamlined mechanism for it to access a participant's "time of becoming aware" for late rebids, that does not require the AER to have to request copies of a participant's contemporaneous records. If this is the objective, then ENGIE would suggest that the guidelines could be amended to require participants to include in the rebid description field, the "time of becoming aware" for all late rebids. This would allow the AER to have direct access to this information and would avoid the need for participants to change their rebid systems.

ENGIE trusts that the comments provided in this response are of assistance to the AEMC in its deliberations. Should you wish to discuss any aspects of this submission, please do not hesitate to contact me on, telephone, 03 9617 8331.

Yours sincerely,

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Chris Deague Wholesale Regulations Manager