

14 September 2022

Mr Gavin Fox
Acting General Manager - Market Performance Branch
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Dear Mr Fox,

Re: T-1 Reliability Instrument Request for South Australia

Simply Energy welcomes the opportunity to make a submission on the T-1 reliability instrument request to inform the Australian Energy Regulator's (AER) decision on whether to make the T-1 reliability instrument for South Australia.

Simply Energy is a leading energy retailer with approximately 700,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. Simply Energy is owned by the ENGIE Group, one of the largest independent power producers in the world and a global leader in the transition to a zero-carbon economy.

If the AER decides to make the reliability instrument, Simply Energy would urge the AER to consider the impacts on stakeholders when specifying the timing of the 'reporting day' for net contract position reports. As this would be the first T-1 reliability instrument under the Retailer Reliability Obligation, retailers will be preparing net contract position reports for the first time. As a result, many retailers will likely be seeking to develop bespoke firmness methodologies and have these signed-off by members of the AER's approved auditors' panel. For the first T-1 reliability instrument, we expect that this will be a lengthy process, particularly if the eight approved independent auditors are overly busy with requests to sign-off on bespoke firmness methodologies for all liable entities.

Simply Energy would support a 'reporting day' closer to six months after the contract position day rather than the earliest date of around two months after the contract position day. We expect that in future years, retailers will have established bespoke firmness methodologies and there will be less demand on the resources of the approved independent auditors (and on auditing firms that may provide initial advice on bespoke methodologies).

Simply Energy welcomes further discussion in relation to this submission. To arrange a discussion or if you have any questions please contact Matthew Giampiccolo, Senior Regulatory Adviser, at matthew.giampiccolo@simplyenergy.com.au.

Yours sincerely



James Barton
General Manager, Regulation
Simply Energy