



Government
of South Australia

Department of
State Development

Mr John Pierce
Chairman
AEMC
PO Box A2449
SYDNEY SOUTH NSW 1235

Dear Mr Pierce *John*

Thank you for the opportunity to comment on the Australian Energy Market Commission's draft determination regarding the extension of the Reliability and Emergency Reserve Trader (RERT) rule change.

While the COAG Energy Council's initial rule change proposal aimed to extend the RERT until 30 June 2019, South Australia appreciates the reasons given by the Commission in proposing the preferable rule.

South Australia considered that extending the RERT would assist in the short-term while demand side participation policies are continuing to be implemented and considerable uncertainty remains in the market due to the changing generation mix. But as market uncertainty is likely to always be a feature in the National Electricity Market, we agree with the Commission's determination that a form of intervention mechanism to manage reliability should exist on an ongoing basis. South Australia considers the RERT to be a relatively efficient intervention mechanism to manage system reliability, and therefore supports the omission of the RERT sunset clause from the Rules.

So while the Commission's draft determination does not adopt COAG Energy Council's rule change proposal, we are supportive of the AEMC's draft recommendations. South Australia considers that these amendments address the key issues identified by the COAG Energy Council and support the efficient and reliable operation of the National Electricity Market.

Thank you again for the opportunity to comment on the draft rule determination. Should you have any questions in relation to this submission, please contact Ms Rebecca Knights, Director – Energy Markets, Energy Markets and Programs Division on (08) 8226 5500.

Yours sincerely

VINCE DUFFY
EXECUTIVE DIRECTOR,
ENERGY MARKETS AND PROGRAMS DIVISION

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