

AEMC DRAFT DETERMINATION ON RERT ENHANCEMENT HIGHLIGHTS THE IMPORTANCE OF AN EFFICIENT MARKET

Australia's leading advocate for large energy users, the Energy Users' Association of Australia (EUAA) welcomes today's [draft determination by the Australian Energy Market Commission \(AEMC\) on the Enhancement to the Reliability and Reserve Trader \(RERT\)](#).

"The RERT Mechanism is a valuable tool to manage emergencies but it is costly with just one instance last year leaving energy users with a \$52million bill. We welcome the AEMC draft determination today as it recognises the value of RERT while reinforcing that it is an emergency tool to be used in extreme circumstances only," said EUAA Chief Executive Officer Andrew Richards.

"We note the determination makes an important reference to the Retailer Reliability Obligation which is currently being investigated by the Federal Government and is aimed at ensuring the market efficiently meets the Reliability Standard without the need to call on RERT."

"Importantly, the draft determination proposes more flexibility be given to AEMO in how it forecasts RERT requirements which takes into account ongoing changes in the generation mix to more intermittent renewables," added Mr Richards.

"While we are yet to conduct a full analysis of the determination, our initial review indicates some welcome changes which include increased transparency - we hope this will be in place for the next summer season - and the method to recover RERT costs, capping costs to reflect the avoided cost of load shedding."

"The best outcome for our electricity market and consumers is that it operates efficiently, utilising a range of tools to incentivise both supply and demand response so that we rarely require the use of the RERT," added Mr Richards.

"We look forward to reviewing the determination in detail and providing comments in a submission."

The EUAA is the peak national body representing major Australian electricity and gas users. Our membership covers a broad cross-section of the Australian economy including significant retail, mining, manufacturing, healthcare, raw materials and food processing industries.

Combined, EUAA members employ over 1 million Australians and pay billions in energy bills every year. Producing many every day items used by the community each day, large energy users are acutely aware of their responsibility to their customers. They are actively engaged in managing their energy use, energy sustainability and energy productivity to ensure they keep downward pressure on energy use and costs.

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