

DELAYED IMPLEMENTATION OF FIVE MINUTE RULE CHANGE AND GLOBAL SETTLEMENT: ERC0298

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing and materials processing industries. Combined they employ over 1 million Australians, pay billions in energy bills every year and expect to see all parts of the energy supply chain making their contribution to the National Electricity Objective. Our members are highly exposed to movements in both gas and electricity prices and have been under increasing stress due to escalating energy costs.

The EUAA supports the move to 5 minute settlement in the National Electricity Market. We also recognise the risks that COVID-19 is imposing on energy markets and participants and the restrictions it places on their ability to operate normally. We support this rule change being considered as an urgent rule change request.

While the costs of implementation are incurred by parties in the supply chain other than consumers (e.g. AEMO, generators and networks), consumers end up paying the costs of implementation and any increase in costs from a delay.

We are unable to provide any specific information that might assist the Commission in understanding the potential for financial stress or the impact of the unavailability of the required expertise to complete the implementation work.

Given we agree with the proposed assessment framework including the criteria of deferring industry costs, industry capability, contract market implications and delayed benefits, we look to the AEMC to assess the evidence provided and make a balanced decision that meets the National Electricity Objective on the basis of that evidence.

Sincerely,



Andrew Richards
Chief Executive Officer
28 May 2020