



30 November 2020

Economic Regulation Authority

Transmission via email to: support@RCP.com.au

25 NOVEMBER REQUEST FOR FURTHER FEEDBACK ON PROPOSED CHANGES TO THE RLM

Alinta Energy is concerned that the additional consultation being conducted on RC_2019_03 disrupts the rule change process and risks further delaying the ERA's urgent reforms to the RLM. Alinta Energy strongly recommends that the ERA does not conduct any further consultation outside the rule change process and submits its draft proposal as soon as possible for the following reasons.

Firstly, as agreed by the MAC twice,¹ this rule change proposal is urgent and aims to correct significant issues in the current RLM, which can lead to "excessive errors"² in the accreditation of intermittent generators and impact investment signals.

Secondly, as noted by the ERA, the increasing supply of intermittent generation in the SWIS exacerbates these errors.³ Further delays would therefore increase the impacts on intermittent generators' accreditation and investment signals.

Thirdly, if this rule change is delayed and the errors in the current RLM are not rectified before the next cycle, they may distort the initial allocation of NAQs. This would permanently impact generators' capacity revenue and distort signals to investors about where to situate their projects.

Finally, Alinta Energy understands that the primary purpose of conducting consultation on a rule change proposal prior to it being formally submitted is to apply an urgency rating and screen any fundamental issues MAC members may have. As noted, MAC members have validated this rule change proposal and advised that it is 'highly' urgent twice. Alinta Energy considers that any further consultation duplicates the rule change process and does so in a less rigorous and transparent manner. This is unnecessary, and risks issues and proposed amendments raised by stakeholders not being appropriately captured, considered and actioned. Ultimately, this could impact the effectiveness of the final rule change.

In conclusion, Alinta Energy strongly recommends that ERA submit its draft proposal as soon as possible. This is crucial to avoid further delaying the rectification of significant issues in the RLM, distorting investment signals and the allocation of NAQs, and undermining the proper consideration and development of the proposal per the rule change process.

¹ High urgency rating firstly agreed in the 29 July 2019 MAC meeting ([see page 15 of the minutes](#)), and then again in the 17 November MAC meeting (minutes TBC).

² ERA, [RC 2019 03: Method used for the assignment of Certified Reserve Capacity to Intermittent Generators – Pre-Rule Change Proposal](#), November 2020, page 3.

³ As above.

Thank you for your consideration of Alinta Energy's submission. If you would like to discuss this further, please contact Oscar Carlberg at oscar.carlberg@alintaenergy.com.au or on 0409 501 570.

Yours sincerely



Jacinda Pappas
Manager, National Wholesale Regulation
Alinta Energy