



16 August 2021

Adrian Theseira  
Economic Regulation Authority

Transmission via: <https://www.erawa.com.au/consultation>

Dear Adrian

### **MINIMUM STEM PRICE REVIEW 2021 – DRAFT DETERMINATION**

Alinta Energy appreciates the opportunity to provide feedback on the ERA's *Minimum STEM Price Review 2021 – Draft Determination*.

Alinta Energy notes that the WEM Rules require the ERA to consider the criteria in 6.20.14 to determine whether the Minimum STEM is appropriate<sup>1</sup>. 6.20.15 states that the ERA must not revise the Minimum STEM Price if it considers Minimum STEM Price is appropriate in accordance with these criteria.

These criteria are whether, during the review period<sup>2</sup>:

- 1) The market cleared at the Minimum STEM Price because it was too high.
- 2) AEMO reduced facilities' dispatch below the quantities that were forecast to clear at the Minimum STEM Price because the price was too high.
- 3) There were changes in the generation fleet that render the Minimum STEM Price too high or too low.

Alinta Energy commends the ERA for both its thorough analysis of the criteria in 6.20.14 of the WEM rules and its consideration of stakeholder's views.

Alinta Energy strongly supports the ERA's draft determination that the current minimum STEM price is appropriate and therefore, it is therefore not necessary to revise it.

Consistent with our submission to the ERA's issues paper and preliminary findings<sup>3</sup>, Alinta Energy agrees with the ERA's view that:

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<sup>1</sup> Appropriate means that the ERA's analysis of the review criteria under the WEM Rules, including the objectives of the minimum STEM price, do not indicate that the minimum STEM price is too high or too low

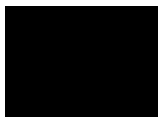
<sup>2</sup> Between 1 October 2019 to 31 January 2021

<sup>3</sup> Available [here](#).

- 1) the current minimum STEM price allows the balancing market to clear above it in most circumstances; and
- 2) The occurrence of the balancing market settling at the minimum STEM price is likely to continue to be rare. In these circumstances, there is no evidence that the current minimum STEM price will result in market participants being exposed to balancing prices that will threaten their financial viability.

Please contact me on [oscar.carlberg@alintaenergy.com.au](mailto:oscar.carlberg@alintaenergy.com.au) or 0409 501 570 if you would like to discuss this submission in further detail.

Yours sincerely



**Oscar Carlberg**  
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