



17 July 2022

Economic Regulation Authority
Level 4, Albert Facey House,
469 Wellington St, Perth WA 6000

Submitted via: www.erawa.com.au/consultation

MINIMUM STEM PRICE REVIEW 2022 – DRAFT DETERMINATION

Alinta Energy appreciates the opportunity to provide feedback on the Draft Determination of the ERA's Minimum STEM Price Review 2022.

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. 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 period¹:

- 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.

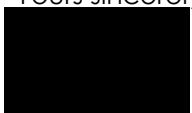
The ERA is also required to consider whether any stakeholders requested a review of the price.

Alinta Energy considers that the current Minimum STEM Price is appropriate because, as noted by the ERA,

- The Balancing Market has not settled at the Minimum STEM price since the last review. As a result, there are no trading intervals where the ERA needs to consider whether the balancing market settled at the minimum STEM price because the price was too high.
- There were not any intervals where AEMO dispatched generators down because the minimum STEM price was too high.
- There were no material changes in relevant generator cycling costs over the review period, nor in the generation fleet that would render the current Minimum STEM price too high or too low

Thank you for your consideration of Alinta Energy's submission.

Yours sincerely



Oscar Carlberg
Wholesale Regulation Manager

¹ 1 February 2021 to 31 January 2022