



Australian Energy Market Commission

Level 6, 201 Elizabeth Street Sydney NSW 2000
PO Box A2449, Sydney South NSW 1235

ABN 49 236 270 144
www.aemc.gov.au

Our ref: 17-12942

29 June 2017

Peggy Danaee
Committee Secretary
Standing Committee on the Environment and Energy
PO Box 6021
Parliament House
Canberra ACT 2600

By email: moderngrid@aph.gov.au

Dear Committee Secretary

Questions on Notice: inquiry into modernising Australia's electricity grid

I am pleased to respond to the questions taken on notice by representatives of the Australian Energy Market Commission (AEMC) as part of the House of Representatives Standing Committee on the Environment and Energy's inquiry into modernising Australia's electricity grid. Please find answers to the questions below.

1. Can you tell me who the third party is [commissioned by the Climate Change Authority and the AEMC to review previously modelling done by those agencies]?

The Climate Change Authority (Authority) and the AEMC commissioned the Centre for International Economics (CIE) to review modelling work previously done by the Authority and AEMC with a view to highlighting the reasons they differ in their findings and what particular insights they offer in consideration of emissions reduction mechanisms that could be applied in the electricity generation sector. The CIE (2017) was also asked to provide advice on the costs associated with ongoing policy uncertainty for investment in energy.

2. What visibility do bidders have of other bids? Do they have visibility? How long is the delay?

In accordance with the National Electricity Rules and with the Australian Energy Market Operator's (AEMO) Spot Market Operations Timetable (Timetable), information on the previous days bids are published as soon as possible after the start of the next trading day. This includes final dispatch offers, dispatch bids and market ancillary services offers received, as well as actual availabilities of generating units, scheduled network services, scheduled loads and market ancillary services. The timetable is traditionally around 0400 hours on the morning after the trading day in question.

More information can be found in the Timetable published by AEMO:

https://www.aemo.com.au/-/media/Files/Electricity/NEM/Security_and_Reliability/Dispatch/Spot-Market-Operations-Timetable.pdf

3. Do you have a time frame for when you expect the rules [on five minute settlement]?

A draft determination on the five minute settlement rule change proposal is expected to be published on 5 September 2017.

The Commission extended the period of time to make the draft determination, which was previously due for publication on 4 July 2017, under section 107 of the National Electricity Law. The Commission considered the extension necessary due to the complexity of the new issues raised by stakeholder submissions on the directions paper.

Yours sincerely

Anne Pearson
Chief Executive