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15 July 2010

Mr John Pierce
Australian Energy Market Commission
Level 5
201 Elizabeth Street
Sydney NSW 2000

Re: ERC0111 – Timing for spot price reporting Rule change proposal

Dear Mr Pierce,

The National Generators Forum (NGF) appreciates this opportunity to provide a submission to the Australian Energy Market Commission on this Rule change proposal.

The NGF understands the reasons for the Australian Energy Regulator (AER) wanting to extend the timeframe for producing market reports on high priced events (>\$5,000/MWh). Greater market complexity, higher frequency of events and a concentration of those events during summer means that the AER may require a longer timeframe to produce quality reports than is currently prescribed.

The NGF is concerned, however, that extending this reporting timeframe may delay any consequential action by the AER as a result of its findings on these high priced events. Such delays can create uncertainty and therefore operating risk for market participants. The NGF requests assurances that by having additional time to investigate and report on these high priced events, the AER will commit itself to progress any further investigation or action in a timely manner.

Timely information on these types of events is important for this mature market. While extending the publication timeframe generally assists the AER in the shorter term, the NGF supports a broader review to revisit the underlying purpose of these reports, which should include identifying appropriate triggers for reviewing spot price outcomes.

Should you wish to discuss any aspect of this submission, please contact Hannah Cole on 02 8345 5500.

Yours sincerely

Malcolm Roberts
Executive Director