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Energy Security Board
Submitted via email:
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National Energy Guarantee – Reliability Guarantee Pre-Condition Options

Alinta Energy (**Alinta**) welcomes the opportunity to provide a submission to the Energy Security Board's (**ESB**) *National Energy Guarantee Reliability Requirement Pre-Condition Options (the consultation paper)*.

Alinta is an active investor in energy markets across Australia with an owned and contracted generation portfolio of nearly 3,000MW, including 1,700MW of gas-fired generation facilities and 1,070MW of thermal generation facilities, and in excess of 1,100,000 electricity and gas customers including more than 550,000 in east coast markets.

Over the past year, Alinta has constructively and consistently engaged with the ESB in assisting with the National Energy Guarantee's (**NEG**) multiple design iterations and technical advisory groups. Alinta is therefore well placed to provide informed comment to the consultation paper.

Alinta does not support the proposed alternative pre-condition options

To date, the ESB has thoughtfully engaged with industry in the development of the NEG through a lengthy and robust design and consultation process. The Reliability Guarantee's T-3 and T-1 trigger points as presented in the NEG final decision paper were the product of such thorough industry consultation.

Nonetheless, as a result of feedback from the Council of Australian Government's Energy Council Meeting on 10 August the ESB has been directed to consider several last-minute alternative Reliability Guarantee pre-condition options including:

- Addition of a T-5 trigger determination;
- Removal of the T-3 trigger determination
- Ministerial powers to activate the reliability obligation at any time.

In Alinta's view all of the above options, if enacted, would be detrimental to reliability guarantee's operation and would likely have the effect of distorting market outcomes as well as raising compliance costs for participants. As such, Alinta does not believe that any of the above options are preferable to the T-3 and T-1 trigger points as set out in the NEG's final decision paper.

Alinta recommends further design decisions should be temporarily deferred

Throughout the NEG's design process, Alinta has supported the Emissions Guarantee and Reliability Guarantee being considered in tandem. This was one of the key premises and attributes of the NEG's design and remains Alinta's strong preference. Nonetheless, for reasons outside of the ESB's control the reliability guarantee is now being considered in isolation.

Given the current political uncertainty regarding the NEG's passage overall, Alinta suggests that any decision on alternative design pre-conditions should be deferred until the political passage and overall direction of the NEG's design becomes clear.

Conclusion

Alinta does not support the proposed alternative pre-condition options at this time. Alinta looks forward to participating in the NEG's ongoing consultation process and would encourage consideration of the points raised above.

Please contact me via email: anders.sangkuhl@alintaenergy.com.au or by phone 02 9375 0992 if you have any queries in relation to this submission.

Yours sincerely,



Anders Sangkuhl

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