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Energy Security Board  
Submitted via email:  
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## **Retailer Reliability Obligation Legislative Amendments**

Alinta Energy (**Alinta**) welcomes the opportunity to provide a submission to the Energy Security Board's (**ESB**) *Retailer Reliability Obligation Legislative Amendments (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 1.2 million electricity and gas customers including more than 600,000 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 including the reliability obligation. Alinta is therefore well placed to provide informed comment to the consultation paper.

### **General Comments**

Throughout the NEG's design process, Alinta has supported the Emissions Obligation and Reliability Obligation being considered in tandem. This was a key premise of the NEG's design and remains Alinta's strong preference. Nonetheless, for practical reasons outside of the ESB's control the Reliability Obligation is now being considered in isolation.

Alinta's preference remains for the Emissions Obligation and Reliability Obligation to continue to be considered in tandem. In isolation, Alinta does not currently see the justification, in terms of economic efficiency or otherwise, for introducing the Reliability Obligation within the NEM. Alinta's additional comments below should be considered within this context.

### **T-3 Determination**

The design of the Reliability Obligation T-3 and T-1 trigger points, as presented in the original NEG final decision paper, were the product of thorough industry consultation and were designed to ensure retailers would receive reasonable notice of the potential triggering of the Reliability Obligation and could plan their compliance position accordingly.

Alinta notes that, as the legislative amendments are currently drafted within the amendment bill sections: 14H(2)(b), 14I(3)(b) and 14K(1)(b)(ii), the T-3 checkpoint is excluded, meaning that the Australian Energy Regulator has the ability to trigger a T-1 reliability event with limited market warning.

Retailers and other liable entities require prudent notification and time in order to procure additional capacity to meet the compliance requirements as set out under the Reliability Obligation. In Alinta's view, if enacted the above amendments would be detrimental to Reliability Obligation's operation and would likely have the effect of raising compliance costs for participants. Alinta does not believe the removal of the T-3 checkpoint for the aforementioned clauses is preferable to the original T-3 and T-1 checkpoints as set out in the original NEG final decision paper.

### **Opt-in Flexibility**

Alinta notes the proposed amendments (specifically section 14E(1)(b)) to allow non-liable customers to opt in to the Reliability Obligation and elect to voluntarily participate for some or all of their liability. In Alinta's view this is a reasonable amendment which allows non-liable customers to participate, in what may be anticipation of their mandatory participation in following years.

### **Conclusion**

Alinta looks forward to participating in the Reliability Obligation's ongoing consultation process and would encourage consideration of the points raised above.

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

Yours sincerely,



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