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Energy Policy WA

Submitted via: energymarkets@dmirs.wa.gov.au

Alinta Energy feedback on exposure draft of 5MS amending rules

Alinta Energy welcomes the opportunity to provide feedback on the 5MS amending rules and notes that the exposure draft is generally fit for purpose. We support the approach that Energy Policy WA has taken in minimising the footprint of the rule change.

However, regarding the proposed commencement date, we are concerned that:

- Changes to data infrastructure and associated impacts to systems that use said data infrastructure are yet to be fully determined. This will remain the case until after AEMO has performed and communicated a detailed assessment of the potential impact of this reform to its systems and procedures. It does not appear likely that such analysis will occur during this year given the current focus on preparation for WEM reform.
- AEMO's costs may be higher than anticipated and current estimates are likely to change once a detailed assessment has been performed. Accordingly, it is not possible to carry out a reliable cost/benefit analysis at this stage. We note that AEMO's WEM reform costs highlight this risk, being delayed by a year, and recently revised to \$130m – over double its initial forecast of \$60m.
- There may be unanticipated complications from WEM reform that impact the 5MS reform.

Given these concerns, that there is no urgent need for the 5MS reform and that work across industry for relevant stakeholders is unlikely to proceed until WEM reform is complete, we strongly urge Energy Policy WA to consider either:

1. Delaying the decision to make these rules until AEMO has had adequate time (post WEM reform) to do a detailed impact and cost assessment. This would enable Energy Policy WA to properly consider the costs and benefits of this reform as well as an appropriate timeline for implementation with better information at hand; or
2. Delaying the commencement date of these rules until 2027 which should give adequate time for implementation regardless; though noting that this course of action does not allow for Energy Policy WA to reconsider whether the rule should proceed in the light of more detailed cost assessments.

Thank you for your consideration of our submission. If you would like to discuss further, please contact me at hugh.ridgway@alintaenergy.com.au or on 0419 709 474.

Yours sincerely

Hugh Ridgway
Wholesale Regulation Manager

Alinta Sales Pty Ltd ABN 92 089 531 984
PO Box 8348, Perth BC, WA 6849

T +61 8 9486 3170 **F** +61 8 9266 4688 **W** alintaenergy.com.au