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Australian Energy Market Operator
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Submitted via e-mail: stakeholderrelations@aemo.com.au

Renewing AEMO's engagement model

Alinta Energy welcomes the opportunity to provide a submission to the Renewing AEMO's Engagement Model consultation.

Alinta Energy commends AEMO for seeking to improve its engagement processes. Effective engagement between industry participants and the market operator is a key contributor to the success of markets.

Over time, the number of AEMO working groups and forums has increased and, for those participants who operate in electricity and gas, as well as in the NEM and the WEM, the sheer number of forums means that effective participation can be difficult to manage. On the other hand, if working groups and forums are too heavily rationalised then market processes and outcomes will suffer.

In developing an optimal engagement model which is both transparent and efficient, it is important to ensure that the following core aspects are captured:

- Clear and timely communications.
- Opportunity for two-way engagement.
- Sufficient balance between detailed technical working groups and overview/information dissemination forums.

Alinta Energy has reviewed each of AEMO's options and, while additional detail to truly understand the proposals would be welcome, our initial feedback follows.

Option 1: Uplift BAU

Alinta Energy agrees that, at a minimum, option one (with some modifications as outlined below) should be progressed. Alinta Energy supports:

- AEMO's existing forums continuing to operate, with consolidation and/or retirement of obsolete groups.
- Structural changes to improve the consistency of engagement.
- Prioritisation of two-way discussion and collaboration.

Option 1 could be improved to include the working group categorisation from option 2 (strategic, transient, and functional), noting that this will assist with the initial and ongoing assessment of which groups should be consolidated or retired (and when).

Option 2: Uplift and realign BAU

Alinta Energy does not support moving to option 2 in its entirety and instead considers that elements of this option could instead be utilised to improve option 1.

We note that many participants retain separation of responsibilities across existing energy and market lines. Given this, Alinta Energy has concerns that the proposed alignment of the forums and working groups under the four proposed streams, while also combining technology and markets, could have the perverse outcome of participants time being used less efficiently. To ensure that participants can contribute meaningfully to any debate, this option would require:

- more time to canvass their internal subject experts, or
- multiple subject experts from each participant attending each forum.

If attendance is limited, or participants can't adequately canvass internal subject experts within the required time frame, then this approach could also negatively impact two-way discussion and collaboration – particularly on more specialised and/or technical matters.

Option 3: Uplift and realign, with co-chaired strategic oversight

Alinta Energy has some concerns with AEMO's option 3 proposal to establish a CEO Roundtable and co-chaired Executive Advisory Panels and considers that options 1 and 2 are a better alignment with AEMO's role than option 3.

While option 3 would likely achieve AEMO's goal to ensure that stakeholders can engage with AEMO in transparent way (provided that the CEO roundtable and Executive Advisory Panel selection structures are well designed and free from bias), Alinta Energy does not consider that this would be a more efficient model which ensures that participant's time is used effectively. This is because, on face value, option 3 could lead to more groups and more processes to provide input into (particularly internally to prepare for the additional layers of forums and meetings).

Finally, Alinta Energy considers that option 3 could lead to higher market costs associated with selecting and administering multiple levels of engagement relative to options 1 and 2. Alinta Energy does not consider that the problem AEMO is addressing justifies implementing a higher cost model.

Conclusion

Alinta Energy recommends that AEMO consider implementing an engagement model which sits between the proposed options 1 and 2. This is on the basis that it:

- more appropriately reflects AEMOs role and remit;
- will achieve AEMOs goal to deliver a more collaborative and transparent process and streamline AEMOs formal stakeholder engagement and consultation process; and
- will be the most cost-effective model relative to the issue being addressed.

Alinta Energy considers that further engagement is required and would welcome an opportunity to provide input into the process as AEMO develops its proposal further.

If you have any queries in relation to this submission, please contact me via email: Graeme.Hamilton@alintaenergy.com.au or by phone: 0458 376 250.

Yours sincerely,



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