

A few
words.

26 October 2016

Mr Mike Cleary
Chief Operating Officer
Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001

Submitted via email gwcf_correspondence@aemo.com.au

Dear Mr Cleary,

Application of constraints in the Declared Transmission System

AGL welcomes the opportunity to comment on Rule Proposal being considered by the Australian Energy Market Operator (AEMO) on the application of constraints in the Declared Transmission System (DTS).

AGL is one of Australia's leading integrated energy companies and largest ASX listed owner, operator and developer of renewable generation, providing energy solutions to over 3.7 million customers throughout eastern Australia.

AGL shares the concerns outlined in EnergyAustralia's Rule Proposal regarding the current disconnect between the Operating and the Pricing Schedules in the DTS.

Accordingly, AGL supports the aim of the Rule Proposal, to harmonise the Pricing and Operating Schedules. AGL also supports the request that the Proposal be fast tracked.

AGL considers that the Rule Proposal should be worked through in collaboration with AEMO to ensure that the desired outcome of Pricing and Operating Schedule harmonisation is achieved, prior to submitting to the Australian Energy Market Commission.

Specifically, AGL suggests the Rule Proposal would benefit from further consideration of two elements.

Firstly, "constraints on withdrawals from the DTS" may be too broad. AGL suggests the Rule Proposal should define a constraint as a limit that is measured on the collective withdrawal limit of gas at biddable withdrawal points.

Secondly, AGL queries whether it is appropriate for the Rule Proposal to state that "AEMO must include *only* constraints...", as including the word 'only' may inadvertently prevent the inclusion of other relevant factors.

If you have any queries about the submission or require further information, please contact Liz Gharghori at lgharghori@agl.com.au or on 03 8633 6723.

Yours sincerely,



Simon Camroux
Manager Wholesale Markets Regulation

