

## INTRODUCTION

The Energy Users Association of Australia (EUAA) is the peak body representing Australian energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing and materials processing industries. Combined our members employ over 1 million Australians, pay billions in energy bills every year and are desperate to see all parts of the energy supply chain making their contribution to the National Electricity Objective.

Our members are highly exposed to movements in both gas and electricity prices and have been under increasing stress due to escalating energy costs. These increased costs are either absorbed by the business, making it more difficult to maintain existing levels of employment or passed through to consumers in the form of increases in the prices paid for many everyday items.

Thank you for the extension to enable the EUAA to make a short submission on these matters.

The EUAA has had the opportunity of reviewing the submission from ERM Power on these matters and we would support the issues raised and proposed amendments in that submission. Our concern, expressed in previous submissions on the ESOO and the ISP is the apparent conservatism used by AEMO in its forecasting methodology and the impact that has on costs to consumers. We think that the amendments proposed by ERM Power provide a more appropriate balance between reliability, security and cost.

In particular, the EUAA does not support AEMO's proposal to issue Clause 4.8.9 Directions or Instructions from the ESOO. The ESOO is only updated infrequently and information from the ESOO may be out of date at the time a Direction or Instruction is issued. The EUAA only supports actions to tender for Interim Reliability Reserves based on information contained in the ESOO.

Please contact me if you would like to discuss this submission further.

Sincerely,



Andrew Richards  
Chief Executive Officer