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Submitted by email: StakeholderRelations@aemo.com.au

Project Energy Connect Market Integration Paper

Pacific Energy Trading Pty Ltd (PET) appreciates the opportunity to provide comments on the Australian Energy Market Operator's (AEMO's) Project Energy Connect Market Integration Paper Consultation.

It is difficult to evaluate the options proposed by AEMO without further information and modelling. We suggest that the next stage of modelling emphasize how the positions of retailers and generators will change under alternative options. It is also worth investigating whether capping or altering spot prices during periods affected by the spring washer effect is a more equitable alternative to changing the settlement residue management process.

In the absence of a clear preferred option, it may be best to prolong the current arrangement and observe how the system behaves once PEC has been activated. We suggest delaying implementation of any changes for 6-12 months, so that the size of the impact can be determined.

Finally, if there any changes are made to the settlement residue management process, we propose that SRA unit holder be given the option to return their units to AEMO, similar to what occurred prior to the introduction of five-minute pricing.

If you would like to discuss any aspect of this submission, please contact Tom Waye at tom.waye@pacificenergytrading.com.au.

Regards,

Tom Waye

Trader

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