



13 August 2020

Australian Competition and Consumer Commission

Submitted via email: adjudication@acc.gov.au

**Draft Determination and new Interim Authorisation:
Authorisation Number AA1000484-1**

Stanwell Corporation Limited (Stanwell) welcomes the opportunity to provide feedback on the Australian Competition and Consumer Commission (ACCC) draft determination and new interim authorisation (draft determination) for the Australian Energy Market Operator (AEMO).

This submission contains the views of Stanwell in relation to the draft determination and new interim authorisation and should not be construed as being indicative or representative of Queensland Government policy.

Stanwell supports the ACCC's decision to grant an interim authorisation to enable cooperation in the form of sharing information regarding ongoing operation, co-coordinating repairs and maintenance, sharing essential personnel, and sharing essential inputs. This will help to ensure the ongoing safety, security, or reliability of Australian energy systems during the COVID-19 pandemic.

Stanwell considers that given the recent "second wave" outbreaks of COVID-19 in both Victoria and New South Wales, the reinstatement of internal border restrictions and the likelihood that the resulting impacts will be ongoing for some time, the authorisation should be in place until 30 September 2021, rather than the currently proposed 31 March 2021 expiry date.

We note that some submissions received by the ACCC in May 2020 in relation to the authorisation did raise some concerns with proceeding with a 12-month authorisation as requested by AEMO. In particular, the submission from the Public Interest Advocacy Centre (PIAC) recommended a 6-month authorisation, noting that at that time "restrictions across Australia are currently being lifted and in the absence of a severe second wave of infections, the types of disruptions the proposed conduct seeks to overcome may no longer be material".

In its submission, the Australian Energy Council (AEC) noted that there were minimal arrangements in place to date given "the success of Australians flattening the curve". However, the AEC continued by noting that the presence of the authorisation (whether or not used) should not duly impact the competitive operation of the market, is unlikely to result in public detriment and the presence of the authorisation can only result in increased benefits to consumers, supporting a 12-month authorisation.

Stanwell agrees with the AEC position that the presence of the authorisation would not be the detriment of consumers. The authorisation requires significant oversight from AEMO and in some cases jurisdictional representatives, additional reporting requirements by AEMO and maintains business as usual reporting requirements under other mechanisms such as the National Electricity Law.

Furthermore, Stanwell observes that despite what happens in Australia the industry is not immune from global COVID-19 implications. As identified in section 4.14 of the draft determination, three factors that could disrupt energy supply are related to both domestic and globally economies.

- *Essential workers or contractors (domestic and international) responsible for maintenance or repairs becoming unwell and/or being required to self-isolate as a result of COVID-19.*
- *Possible shortages in parts, equipment or other essential resources as a result of disruptions to local and global supply chains.*
- *Ongoing changes in demand for energy as a result of changed economic activity and lock-downs of cities and regional centres which may have implications for system stability from a technical perspective. An example may be the withdrawal of units, deferral of maintenance or a redirection of capital from global companies.*

Despite what happens domestically, Australia's energy industry remains vulnerable to the unpredictable nature of the pandemic.

In conclusion, Stanwell considers that given the increased risk of COVID-19 impacts extending beyond earlier predictions, and the benefit of the authorisation to both customers and industry, the authorisation should be in place until 30 September 2021, rather than the currently proposed 31 March 2021 expiry date.

Stanwell welcomes the opportunity to further discuss the matters outlined in this submission. Please contact Jennifer Nielsen on [REDACTED].

Yours sincerely



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