



Daniel Harding  
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Australian Energy Regulator  
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To Daniel Harding,

**Default Market Offer – Net System Load Profile approach**

ENGIE Australia & New Zealand (ENGIE) appreciates the opportunity to respond to the Australian Energy Regulator (AER) in response to the consultation paper on the Net System Load Profile (NSLP) approach for the Default Market Offer (DMO) resulting from the Australian Energy Market Operator's (AEMO) temporary adjustment of NSLP data in the SA Power Networks and Energex distribution regions.

The ENGIE Group is a global energy operator in the businesses of electricity, natural gas and energy services. In Australia, ENGIE operates an asset fleet which includes renewables, gas-powered generation, diesel peakers, and battery energy storage systems. ENGIE also owns Simply Energy which provides electricity and gas to retail customers across Victoria, South Australia, New South Wales, Queensland, and Western Australia.

We do not consider that option one is a feasible approach to estimating the reasonable costs of purchasing wholesale energy for the 2024-25 period. The load profile shape under option one is not reflective of the expected actual load profile shape in 2024-25 and would result in retailers significantly under-recovering their wholesale energy costs for their accumulation meter load.

For this reason, ENGIE supports option two in the paper, which involves ACIL Allen making a modification to the NSLP data. While there would be reduced transparency from this approach, we consider this is a necessary trade-off in the short-term due to the significant issues with the accuracy of the NSLP data and the resulting load profile shape. If the AER were to proceed with option two, we would urge the publication of ACIL Allen's modified NSLP data as soon as possible so that retailers can consider that information in their modelling.

Should you have any queries in relation to this submission please do not hesitate to contact me on, telephone, 0436 929 403.

Yours sincerely,

*Matthew Giampiccolo*

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Manager, Regulation and Policy

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