



Clare Savage
Chair
Australian Energy Regulator
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5 July 2024

To Clare Savage

Amendment of the DAA Record Keeping Guideline – Draft decision

ENGIE Australia & New Zealand (ENGIE) appreciates the opportunity to respond to the Australian Energy Regulator (AER) in response to its draft decision on amendments to the Day Ahead Auction Record Keeping Guideline (the Guideline).

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 provides electricity and gas to retail customers across Victoria, South Australia, New South Wales, Queensland, and Western Australia.

In this submission, ENGIE has provided feedback on several of the draft amendments to the Guideline. We also note that the annotated draft Guideline has several typographical errors that should be addressed in the final version.

Proposed implementation date of 1 November 2024

ENGIE has reviewed the draft Guideline and is concerned that the proposed implementation date of 1 November 2024 will provide insufficient time for us to adequately prepare for the changes. We note that the draft Guideline would require system changes and updates to training and processes for traders.

ENGIE's preference would be that the revised Guideline take effect in early 2025.

Addition of a record creator unique ID

Although the draft amendment is an improvement on the 'record creator reporting field' proposed in the consultation paper, ENGIE does not support the addition of this field. ENGIE does not consider the rationale provided in the draft decision is sufficient to justify the AER tracking the performance of individual traders, regardless of whether the AER has access to the record creator's name or not.

Individual businesses' are responsible for ensuring accountability of their traders and managing trader performance. ENGIE does not consider that the addition of this field would improve the accuracy or reliability of contemporaneous records, as it would not provide any additional incentives to individual traders' to ensure the records they create are accurate and verifiable.

Addition of a record timestamp reporting field

While ENGIE does not oppose the addition of a 'record timestamp reporting field', we would appreciate additional clarity on the how the AER intends for this field to be populated. As the Guideline states that the record timestamp is 'the time and date for which this record is created', it does not specify how the time should be recorded in instances when the record is initiated and finalised at different times.

In our submission to the consultation paper, we provided an example of a scenario where a trader may log the details at the time of a material renomination and then finalise the record at a later time on the same gas day. ENGIE is concerned that a requirement to record the time that a record was finalised may incorrectly imply that the trader did not create the record at the same time, or very shortly after, the material renomination.

The difficulty for traders in immediately logging detailed information on material renominations is compounded when there are multiple receipt and delivery points that are affected by the same renomination.

In the draft decision, the AER notes that there are instances of shippers recording HHMM2 and HHMM1 as the same time, when the event and the renomination time are clearly separate. ENGIE considers that it would be valuable for the AER to provide examples of scenarios in the Guideline of when HHMM2 and HHMM1 should be recorded as separate times, as in our experience these times are often the same.

Requirement to include detailed information in the description reporting field

ENGIE is concerned that the proposed detail asked for in the mandatory description reporting fields are overly onerous. We note that the example of an acceptable record provided on page 23 of the annotated guideline is three paragraphs long and over 100 words. As traders are focused on responding to immediate issues at the time of a material renomination, it would be very challenging for them to also capture this level of detail in real-time when creating a contemporaneous record of a material renomination.

ENGIE also does not agree that a trader should need to specify both the reason for renomination and why the specific category field option was chosen. In our view, the reason that a category field option was chosen should be self-evident from the reasons given for the renomination.

ENGIE notes that rule 666 of the National Gas Rules requires that a facility user provide verifiable and specific reasons for making a renomination. Although the AER has raised concerns about requesting further information from users to explain the reasons for a material renomination, ENGIE considers that this type of back-and-forth is an appropriate trade-off to ensure that traders can primarily retain a focus on immediate

issues. It would be realistic for traders to be able to provide brief descriptions that set out specific information about the reason for the renomination, which are able to be verified and backed-up with additional information following an AER request.

If the AER retains an example description field response in the Guideline, ENGIE requests that the example that is used is simplified and only provides a brief and specific description on the context and reason for the renomination.

Concluding remarks

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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