

Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

20 November 2025

ERC0356, ERC0374 – Calculating the cumulative price Consultation Paper

The Australian Energy Council ('AEC') welcomes the opportunity to comment on the Australian Energy Market Commission (Commission) Calculating the cumulative price Consultation Paper.

The Australian Energy Council (AEC) is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net zero by 2050 and a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

The AEC supports both rule change requests. The ERC0374 proposed change to the calculation of the cumulative price threshold (CPT) will better align it with the original policy intent of the market setting. The current approach of using scheduled pricing during market suspension deprives market participants of the benefit of the CPT. ERC0374 will address this issue, lessening risks for sellers of hedging products and insolvency risks for retailers, which ultimately provides the best outcome for consumers.

ERC0356 proposes a relatively simple amendment to the method for calculating the cumulative price. The change would ensure that the prices used for determining the CPT reflect the actual (or settled) prices received by market participants.

Addressing these two rule changes will promote the National Energy Objective. It will improve the integrity of a critical reliability setting (the CPT), increasing the predictability of the market during extreme volatility have a greater benefit for the electricity market than what would be estimated using historical events as a guide.

The AEC encourages the Commission to consider these rule changes in the broader context of ensuring that, during periods of extreme market stress, the reliability settings operate in a way that provides confidence to the market through clear and intended outcomes.

Please do not hesitate to contact David Feeney, GM Wholesale and Environment at David.feeney@energycouncil.com.au if you wish to discuss this submission further.

Yours sincerely,



David Feeney

