



AUSTRALIAN  
ALUMINIUM  
COUNCIL LTD

Australian Energy Market Commission (AEMC)  
Via <https://www.aemc.gov.au/contact-us/lodge-submission>  
26 October 2023

Level 1,  
18 National Circuit  
Barton ACT 2600  
Ph: 02 6267 1800  
[info@aluminium.org.au](mailto:info@aluminium.org.au)

Dear Chair

***Re: Amendment of the Market Price Cap, Cumulative Price Threshold and Administered Price Cap***

The Australian Aluminium Council (the Council) represents Australia's bauxite mining, alumina refining, aluminium smelting and downstream processing industries. The aluminium industry has been operating in Australia since 1955, and over the decades has been a significant contributor to the nation's economy.

The Council welcomes the opportunity to provide feedback to the AEMC on the draft National Electricity Amendment [Amendment of the Market Price Cap (MPC), Cumulative Price Threshold (CPT) and Administered Price Cap (APC)] Rule (the Rule).

The Council and its Members had been concerned about the proposal to materially increase the MPC, CPT and APC as proposed in the Consultation Paper earlier this year and had noted in its submission<sup>1</sup> that the materiality of the proposed increase did not support the best the interest of consumers. The Council therefore welcomes the Commission's focus on addressing reliability risks at the least possible cost to consumers. While the MPC and CPT will progressively increase as proposed by the Reliability Panel, the APC will not be increased.

The Council recognises that the NEM is going through a once in a century transformation as Australia moves towards net zero emissions by 2050 and that this transition will need to be carefully managed, to ensure that all consumers are provided with competitively priced, reliable, low emissions energy. The NEM needs signals to incentivise the new dispatchable capacity needed to maintain a secure and reliable energy system while maintaining competitive prices for consumers, and the Council believes that the Commission's draft Rule balances these issues.

At a time when manufacturers are facing serious challenges, energy is one of the few advantages Australia has to offer. The Council urges the AEMC to continue to consider appropriate responses which help solve the challenges in the energy transition without putting the long-term viability of existing industry at risk or materially impacting the energy price paid by all consumers. The Council is happy to provide further information on any of the issues raised in this submission.

Kind regards,

Marghanita Johnson  
Chief Executive Officer  
Australian Aluminium Council  
M +61 (0)466 224 636  
[marghanita.johnson@aluminium.org.au](mailto:marghanita.johnson@aluminium.org.au)

<sup>1</sup> <https://www.aemc.gov.au/sites/default/files/2023-06/Submission%20Received%20-%20ERC0353%20-%20Australian%20Aluminum%20Council%20-%2020230622.PDF>