

15 April 2026

Australian Energy Market Commission  
Project Leads: Emily Banks and Victor Stollman

Submission lodged via the Project Page.

Dear Ms Banks and Mr Stollman,

## **SUBMISSION TO CONSULTATION PAPER SYSTEM SECURITY ENHANCEMENTS**

Delta Electricity ('**Delta**') welcomes the opportunity to comment on the Australian Energy Market Commission's ('**AEMC**') consultation paper on System Security Enhancements.

### **Summary**

Delta generally supports the joint submission by the Australian Energy Council and Clean Energy Council. In particular:

- The two rule change proposals should be consolidated to address common systemic issues and deliver the best long-term outcomes for consumers, underpinned by stronger Essential System Services ('**ESS**') governance.
- This should be supported by clearer planning and reporting requirements in the National Electricity Rules ('**NER**') and streamlined, cost-disciplined procurement processes, including further investigation of a more efficient Regulatory Investment Test for Transmission ('**RIT-T**') for system security investments.

The energy transition is occurring at pace and under substantial uncertainty. This is making it increasingly difficult to determine future system needs and asset retirement timing with confidence, particularly many years in advance.

In this context, Delta does not support the Australian Energy Market Operator's ('**AEMO**') proposal to extend the generator notice of closure period from 3.5 years to five years. While we recognise the intent to improve system security planning and better align with procurement and delivery timeframes, we consider that more prescriptive and extended notice requirements are unlikely to achieve these objectives and may instead create inefficiencies and unintended consequences.

Rather than extending the notice of closure, Delta considers that more effective and credible planning would be supported by ongoing, close engagement with the NSW Government on transition planning. This should be underpinned by clear and coordinated frameworks that enable orderly and flexible closure decisions, including appropriate workforce transition arrangements.

### **Delta does not support extending the notice of closure period**

A key concern is that extending the notice of closure period would reduce the quality and credibility of closure information. Generator retirement decisions are driven by several factors, including:

- plant condition,
- safety,
- fuel costs,
- emissions obligations,
- environmental compliance; and



- market conditions.

These factors are inherently uncertain over time. Requiring generators to make firm commitments five years in advance risks repeated revisions as circumstances evolve. This undermines confidence in published closure dates and may distort planning outcomes rather than improve them.

Delta is also concerned that a longer notice requirement could be counter-productive for system security. Earlier but less reliable information does not necessarily lead to better investment or procurement decisions. Instead, it risks inefficient early investment, over-procurement of system security services, and increased costs ultimately borne by customers.

The proposal would also place disproportionate and inappropriate risk on individual market participants. Generators are subject to legal obligations under workplace health and safety, environmental regulation and directors' duties, which may require earlier closure if conditions change or operations become uneconomic or unsafe. A five-year mandatory notice period cannot reasonably accommodate these realities, limiting its enforceability and effectiveness.

Importantly, the market already has substantial forward visibility of expected closures. Indicative retirement dates are regularly provided to AEMO and published through existing planning and forecasting processes, often many years in advance. The challenge therefore appears to be less about the availability of information and more about how that information is translated into timely and efficient planning, procurement and investment decisions.

AEMO's own assessment points to underlying issues in planning, coordination and delivery processes, such as lengthy procurement and RIT-T timeframes, as the primary drivers of system security risk. These are better addressed through targeted reforms to governance, accountability and procurement frameworks, rather than by extending generator closure obligations. For these reasons, we do not support extending the notice of closure period to five years and encourage the AEMC to focus on improving the effectiveness and timeliness of system security planning and procurement frameworks.

For further discussion, please contact Delta's Market Compliance and Regulation Manager, Joel Aulbury at [joel.aulbury@deltapae.com.au](mailto:joel.aulbury@deltapae.com.au).

Yours sincerely,

**ANDY YOUNG**  
**ENERGY MARKETS RISK MANAGER**

