



**Sam Maresh**  
Country Leader  
GE Australia

Level 20, 99 Walker Street  
North Sydney, NSW, 2060y

M +61 466 413 409  
www.ge.com

Friday, 23 October 2020

Dr Kerry Schott AO  
Chair  
Energy Security Board  
Level 15, 60 Castlereagh Street  
SYDNEY NSW 2000

Sent via email: [info@esb.org.au](mailto:info@esb.org.au)

## **Post 2025 Market Design Consultation Paper**

Dear Dr Schott,

General Electric (GE) would like to thank the Energy Security Board (ESB) and other agencies for their work on the post-2025 market design program. GE welcomes the opportunity to provide feedback on the consultation paper.

GE is an original equipment manufacturer supplying generation, storage and transmission solutions to all elements of the National Electricity Market (NEM). In addition, GE's digital grid software is installed in many of the transmission and distribution companies across Australia and supports software systems installed in AEMO.

GE welcomes the market reform process being undertaken by the ESB and its acknowledgment that technological change and the need to decarbonize the economy, through a lower emissions electricity system, are key challenges for the NEM.

Strengthening short-term and long-term investment in the technologies needed to meet the system's physical needs and support the integration of Variable Renewable Energy (VRE) should be an immediate priority for the post-2025 market design. Under the current energy only market, new investment in the NEM remains difficult. Price signals that have traditionally served to support new investment, particularly in dispatchable generation, are no longer adequate. The current market design does not sufficiently recognise or value key capabilities that support the overall efficacy of the network and the integration of various generation and storage technologies. Uncertainty around the pathway and timing of the decarbonisation of the NEM and unanticipated government intervention have also added to investor uncertainty.

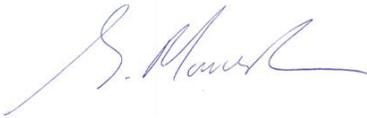
GE broadly welcomes the reforms being proposed by the ESB to support new investment in the NEM. We would encourage the ESB to consider bringing forward the finalisation and scheduled implementation of the Resource Adequacy Mechanism (RAM) measures. GE is aware of multiple

projects where investment decisions are awaiting clarity on the new market design. Progressing these projects would assist in delivering a more resilient, cost effective and flexible electricity system.

A recurrent theme that has driven the need for a post-2025 market design is technology. The discussion paper recognises that new technology and digitalisation are providing new options for customers. Trends in digitalisation and artificial intelligence however go well beyond smart appliances and meters. Technology advances in digitisation and grid analytical software will be critical for both the operation and control of the NEM. For example, software that measures effective inertia, which represents the combined inertia-like effects of rotating machines, passive load responses, and active generator controls will assist in the development of a spot market for inertia. It is not clear from the consultation paper whether the proposed market reforms are informed by the full suite of digital solutions available to support the operation and autonomous control of the NEM in the future. The interoperability of various assets across the NEM will only be achieved through the application of digital and software solutions specifically designed to enable it. GE would be pleased to provide the ESB with further specific technical advice on this matter if needed.

Thank you for the opportunity to provide feedback on the Post 2025 Market Design Consultation Paper. We look forward to continuing to engage with the ESB as part of the ongoing consultation process.

Your sincerely,



Sam Maresh  
Country Leader  
GE Australia