

What was discussed in AEMO's wholesale and retail forums in October 2015

National Electricity Market Wholesale Consultative Forum (NEMW-CF)

6 October 2015

National Transmissions Network Development Plan (NTNDP)

AEMO provided an insight on what would be included in the NTNDP. The NTNDP is a strategic review of transmission grid development requirements for the next 20 years, set in the context of changing supply and demand patterns since the first NTNDP was first published in 2010. In addition to this, the forum heard about how the 2015 report examines the power system reliability and security implications of integrating both large-scale and embedded renewable generation technologies into the NEM. The scenarios developed to facilitate this analysis, namely the Gradual Evolution and Rapid Transformation scenarios, were also described.

The NTNDP report has just been published, and will be discussed in more detail at the next NEMW-CF.

Electricity Statement of Opportunities (ESOO)

AEMO provided an overview of the 2015 ES00, that reports supply adequacy in the NEM for the next 10 years. Key messages were that:

- The market has responded to the 2014 ES00 surplus generation capacity of 7,400 MW by notifying its intent to withdraw approximately 4,550 MW of capacity.
- Assuming no market adjustments, these withdrawals may lead to a breach of the Reliability Standard for Victoria (Vic), New South Wales (NSW) and South Australia (SA) under the medium demand scenario. (The Reliability Standard stipulates that only 0.002% or less operational consumption can go unserved for any region in any financial year.)

To determine supply adequacy for the 2016 ES00, AEMO is seeking feedback and starting consultation on generation withdrawal categories. Currently only a single category of withdrawal exists, which does not reveal whether there are plans for a unit to ever return to service. This makes it difficult to accurately project available capacity and assess supply reliability.

Members also suggested the report cover historical hourly profiling for wind generation as range bars.

In answer to a question about potential network limits for the upgraded Heywood Interconnector between SA and Vic, AEMO said network testing will confirm a final set of network limits that will be available closer to completion of the upgrade. It added that the single withdrawal category makes it hard to assess South

Australia's supply adequacy, and may warrant publication of an ES00 update.

Renewable Energy Roadshow and Storage Report

AEMO updated members on the recent renewables roadshow and valuable participant feedback, as well as progress with the work on the changing generation mix in South Australia. The initial studies focus on SA as a case study for future impacts on the whole of the NEM of high levels of wind and rooftop PV and announcements of thermal generation withdrawals in that region.

AEMO will publish a further report in December about its ongoing work on the changing generation mix.

NEM Connection Process Review

AEMO reported on the NEM Connection Process Review (completed July). The review assessed the structure and implementation of AEMO's process for connecting generators and customers to the transmission network.

Conclusions were:

- Process duplication and rework could occur for connections stretching over long periods, involving AEMO and Transmission Network Service Providers or inexperienced applicants.
- AEMO's connection process for multiple contacts can confuse applicants.
- Connection information guidelines and documentation require updating, and navigation to connection documentation is difficult on AEMO's current website.

Stakeholder feedback included a felt need to clarify AEMO and Network Service Provider roles, and have fast turnaround of, and lower costs for, due diligence and connection assessments.

AEMO has proposed a number of changes to the current process, including a review of the information kits and AEMO connections webpage, a review of the connections pricing structure, appointment of a single connection process contact at AEMO, and closer collaboration with TNSPs for transmission connections.

Energy Adequacy Assessment Projection (EAAP)

AEMO updated the forum about the EAAP consultation. Seven formal submissions were received from stakeholders. These have helped AEMO shape a recommendation to move the report from quarterly to annual reporting, with trigger reporting as required. AEMO will submit a rule change request to the AEMC in November. Meanwhile, the next EAAP report will be issued under the quarterly schedule, in December.

Forum members wanted to know the triggers that would be reported on. Another consultation will explore these in more detail.

NEMW-CF next meeting: 25 November 2015

Gas Wholesale Consultative Forum

13 October 2015

Distribution Unaccounted for gas (DUAFG)

AEMO spoke to the forum to provide an update on the situation with the DUAFG Procedures. AEMO advised it had received a letter of no action from the AER, and can therefore determine the average volume weighted market price of gas for 2010 to 2014 using the spot and contract weighted formula. Those prices issued up to the end of 2013 will therefore stand, and AEMO will use those for all reconciliations yet to be issued. AEMO will prepare the 2014 price and injection data, to be issued before the end of October.

AEMO advised the forum that the agreed consumption for the Multinet distribution network for 2012 and 2013 has been received, with draft statements to be issued before the end of October. Reconciliations for other distributors will be issued once consumption data is agreed between distributor and market participants and provided to AEMO.

AEMO also advised the forum that the Procedure change is open for consultation; comments were due by 30 October.

South West Pipeline

AEMO updated members, as requested at the previous GWCF, about the materiality of constraints and possible augmentation options for increasing the South West Pipeline (SWP) withdrawal capacity. This was in response to expected reductions in gas production at the Port Campbell facilities, increased gas flows to South Australia, and higher gas storage utilisation.

After advising on constraints since 1 August, and estimating withdrawals for 2016 and 2017, AEMO presented five preliminary options for increasing the Melbourne to Iona SWP transportation capacity.

In answer to forum questions, AEMO explained its analysis, and said it estimated that enough gas could be shipped to Iona to refill storage for winter 2016. AEMO will continue to monitor flows and will publish a Victorian Gas Planning Report (VGPR) in March 2016 to identify whether the SWP withdrawal capacity restrictions will impact system security in future years.

Post winter gas market review

AEMO gave the forum information about winter trading in the Declared Wholesale Gas Market (DWGM) and Short Term Trading Markets (STTM), noting that:

- DWGM prices were strongly influenced by Victoria's colder than average winter, while prices

in the Sydney and Brisbane STTM hubs and the Gas Supply Hub (GSH) were influenced by LNG export projects.

- The GSH had taken over from the STTM as the most heavily traded market.
- Compared to the 2014 winter, the 2015 winter lasted longer and had approximately 10% higher total demand.

2016 Gas Statement of Opportunities (GSOO)

AEMO presented on the key challenges and uncertainties facing the gas market and asked forum members to consider what questions they would like answered in the 2016 GSOO. Forum members had the opportunity to comment on proposed scenarios and contribute to the scope of the 2016 GSOO.

All participants have been sent surveys, requesting information about their existing and proposed projects and infrastructure. Forum members are encouraged to provide any feedback or suggestions to David Habib (08 8201 7354 or david.habib@aemo.com.au).

Contingency Gas (CG)

AEMO told the forum that a post-event review of the recent CG trigger event had identified two potential risks to be addressed:

- A company with upstream and downstream merchant roles can send the same representative to both assessment and industry conferences. Forum members agreed this is a potential issue.

Participants are not obliged to provide further information to AEMO after CG trigger events. Forum members felt this was a low risk. AEMO will investigate these issues further and report to the December GWCF.

AEMO also advised the GWCF that CG exercises are planned for May 2016 (in Brisbane) and September 2016 (in Adelaide). These will be added to the GWCF forward plan for 2016.

Following the recent exercise in Sydney, AEMO has sent the post-exercise report to everyone who participated. Anyone else interested can ask for a copy of this report by contacting sttm.contingencygas@aemo.com.au.

GWCF next meeting: 8 December 2015

Gas Retail Consultative Forum

20 October 2015

Technology changes – service orders and identifying previous Financially Responsible Organisations (FRO)

AEMO told the forum that, on 14 September, AEMO published updated Victorian, Queensland and South Australian Procedures. The publishing of the Procedures concludes this work program.

South Australia/Queensland Unaccounted for Gas

AEMO advised that a workshop was held on 7 October to discuss issues concerning Australian Gas Networks' proposed process. Most of the issues were resolved at the workshop, and AEMO is now on track to release the Value Assessment Test (VAT) documentation on 26 October. Participants have until 13 November to submit indicative costs and benefits.

Enumerations work program

AEMO advised the forum that consultation on a November 2016 release date for the technology changes for the Enumeration files closes on 21 October. AEMO also advised that consultation for the Retail Market Procedures changes that underpin these technology changes had been extended to 30 November 2016.

AEMO will report to the next GRCF meeting about whether the Enumeration program could begin in May 2016 (if the November 2016 proposal is agreed).

Queensland RoLR

AEMO updated the forum on testing for Retailer of Last Resort (RoLR) in Queensland, with some participants already agreeing to be involved in industry testing. The Industry Testing Scope was emailed to participants, with feedback due by 20 November.

GRCF next meeting: 1 December 2015

Retail Market Consultative Forum (RMCF)

30 October 2015

Information Exchange Committee (IEC) strategy day

The IEC Chair welcomed all RMCF members to attend the IEC strategy day. It will be held on 9 December, at the Park Royal (Melbourne Airport).

Power of Choice (PoC) work plan

AEMO gave an update on Metering Competition Workshop 3, held on 22 October in Melbourne. It addressed updates to the issues register, role mapping, and process flows.

Workshop 4 will be held on 25 November. AEMO also intends to run a two-day December workshop to discuss requirements after the final Rule is released on 26 November.

NSW/ACT Retail Gas Project update (NARGP)

AEMO updated the forum on the NARGP project that is standardising B2B retail gas processes and systems across NSW/ACT, Queensland, South Australia and Victoria:

- In the Process and Regulatory work stream, AEMO is developing documentation for As Built consultation that starts on 19 November, when participants will also get first stage consultation documentation for the Proposed Procedure Change (PPC). A PPC workshop is scheduled for 4 December, and participants have until 5 January 2016 to give PPC feedback.
- In the Readiness work stream, the industry test version 2 has been released, and detailed planning for industry testing is on track and well-advanced. Five full day workshops were held in October as part of transition planning towards the early November milestone.

Working Group structure

AEMO invited member feedback on the working group structure, principles, Terms of Reference, and amended Gas and NEM Change Management Processes. The forum also discussed the possibility of harmonising some processes across gas and electricity forums.

RMCF next meeting: 27 November 2015