DRAFT MINUTES – Forecasting Reference Group (FRG)

MEETING: #1

DATE: Wednesday 30 January 2019

CONTACT: Energy.Forecasting@aemo.com.au

ATTENDEES:

Attendee	Company	Site
Craig Oakeshott	AER	Adelaide
Ed White	Ausgrid	Adelaide
Andrew Turley	AEMO	Brisbane
Dane Winch	AEMO	Brisbane
Elijah Walker	AEMO	Brisbane
Magnus Hindsberger	AEMO	Brisbane
Siobhan Attwood	AEMO	Brisbane
Ali Habibi Khalaj	AEMO	Melbourne
Daniel Guppy	AEMO	Melbourne
Dean Soste	AEMO	Melbourne
Greg Staib	AEMO	Melbourne
Neale Scott	AEMO	Melbourne
Rachael Saw	AEMO	Melbourne
Richard Paprzycki	Energy Australia	Melbourne
Elsie Zhao	Multinet Gas	Melbourne
Panos Priftakis	Snowy Hydro	Melbourne
Nicola Falcon	AEMO	Sydney
Alex Fattal	Origin	Sydney
Alister Rathie	Alinta Energy	Teleconference
Damian Dwyer	APPEA	Teleconference
James Foster	CSIRO	Teleconference
Lachlan O'Neil	CSIRO	Teleconference
Omid Motlagh	CSIRO	Teleconference
Martin Behan	EDL	Teleconference
Georgina Snelling	Energy Australia	Teleconference
Craig Pollard	Energy Queensland	Teleconference
Maya Muthuswamy	Engie	Teleconference
Ron Logan	ERM Power	Teleconference
Mark Grenning	EUAA	Teleconference
David Headberry	Major Energy Users	Teleconference
Steven Rawlins	Powerlink	Teleconference
Jennifer Brownie	Queensland Electricity Users Network	Teleconference
Matt Sherwell	Santos	Teleconference
Joe Hemingway	Stanwell	Teleconference
Herath Samarakoon	TasNetworks	Teleconference
Billy Atmore-Gray	Vivienne Court Trading	Teleconference

1. Welcome and Introductions

Neale Scott (AEMO) welcomed attendees to the January 2019 Forecasting Reference Group (FRG) meeting.

2. Previous minutes and action items

The meeting minutes from the 11 December 2018 FRG were accepted by attendees and finalised. All previous action items were closed.

Jennifer Brownie (Queensland Electricity Users Network) reiterated concerns from the 27 November 2018 meeting with regard to implementing a 'traffic light system' to better represent lack of reserve (LOR) conditions in the market. Neale Scott (AEMO) advised that AEMO had already communicated their stance on the topic, and was under the impression no further discussion was necessary. The proposed system is not a function of the Forecasting division, and therefore AEMO's FRG is not the appropriate forum for definitive clarification. Neale Scott (AEMO) will follow up on the previous communications and update at the 27 February meeting. (Action 14.1.1)

3. Input Assumptions for 2019 Planning and Forecasting Scenarios

Dane Winch (AEMO) presented on the *Input Assumptions for 2019 Planning and Forecasting Scenarios* slides (included in the January 2019 meeting pack). The presentation provided insight into the input assumptions outlined in AEMO's 2019 Planning and Forecasting Consultation Paper[1], for use in its 2019 publications, including the 2019-20 Integrated System Plan (ISP) and the 2019 Electricity Statement of Opportunities (ESOO). AEMO welcomes written submissions on any observations or approaches outlined by 20 March 2019. (Action 14.2.1)

Key points raised by stakeholders during this presentation included:

- Georgina Snelling (Energy Australia) questioned whether feedback on the ISP during a previous AEMC conference would be taken on board by AEMO. Dane Winch (AEMO) responded that an AEMO representative was present at this conference and relevant feedback was taken onboard as part of the consultation process.

- David Headberry (Major Energy Users) raised concerns over understanding individual generator decisions when producing forecasts, as well as interconnector constraints

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[1] Planning and Forecasting Consultation Paper, Feb 2019. Available here: https://www.aemo.com.au/-/media/Files/Electricity/NEM/Planning_and_Forecasting/Inputs-Assumptions-Methodologies/2019/2019-Planning-and-Forecasting-Consultation-Paper.pdf

and counter-price flows during times of peak demand. It was stressed that extreme demand and weather events be analysed for future forecasts. Andrew Turley (AEMO) clarified that (as outlined in the [market modelling methodology paper](#)) the ISP uses both long term expansion planning (which Dane Winch acknowledged has limited consideration of intra-regional constraints), as well as other more granular models, including time-sequential modelling which applies detailed intra-regional constraints. Feedback is welcomed on the methods described in the [consultation paper](#). Andrew Turley (AEMO) also clarified that generators must supply de-rating specifications under their capabilities during conditions consistent with 10% POE peak demand, which is published under AEMO's [generation information page](#) and used in ESOO and ISP modelling.

- Ron Logan (ERM Power) queried whether all system normal constraints used in the modelling would be present in the consultation paper published inputs. Andrew Turley (AEMO) responded that all system normal constraint equations are already available in the 2018 ESOO paper. Dane Winch (AEMO) clarified that constraints are not only an input to the ISP modelling, given that the development of the transmission network is a core output from the models, and constraints are therefore developed in accordance with these developments.

- Jennifer Brownie (Queensland Electricity Users Network) expressed concern over a lack of data pertaining to the minimum dispatchable generation to operate critical infrastructure in the event of a state becoming islanded. Andrew Turley (AEMO) responded that AEMO's forecasts are planned to achieve the Reliability Standard. In this sense, it is unclear the value of having or applying such a critical infrastructure minimum, when the Reliability Standard is a higher standard.

- Richard Paprzycki (Energy Australia) raised a question on the release dates of the next ISP and ESOO publication and whether the ISP will be produced on a regular basis. Andrew Turley (AEMO) responded that it is a rule requirement for the ESOO to be published at the end of August each year. Anderw Turley (AEMO) went on to state that the consulation paper confirms the key event dates for 2019-20 (Section 2.5, page 13-14, of the Paper).

- Alex Fattal (Origin) asked if the same set of forecasts produced by the ISP and ESOO will be used in the subsequent forecasts. Dane Winch (AEMO) clarified that the subsequent ISP and ESOO forecasts seek to adopt a consistent set of input assumptions as detailed in the Consultation Paper and may evolve as alternative data sets become available throughout 2019 and 2020.

4. Draft GSOO Production and GPG Forecasts

Rachael Saw (AEMO) and Elijah Walker (AEMO) presented on the *Draft GSOO Production and GPG Forecasts* (included in the January 2019 FRG meeting pack). The presentation provided insights into forecast accuracy, maximum daily gas demand forecasts and gas supply production forecasts.

Key points raised by stakeholders during this presentation included:

- David Headberry (Major Energy Users) raised concerns on gas flow constraints impacting consistent generation by GPG. Rachael Saw (AEMO) confirmed that, for the GSOO, gas flow constraints are considered on a daily level between nodes and the major piplines. Intraday issues are reported in the Victorian Gas Planning Report (VGPR) by the operations team in AEMO.
- Jennifer Brownie (Queensland Electricity Users Network) asked which Stanwell generators would be retired under the neutral ISP retirement schedule. Rachael Saw (AEMO) clarified it was assumed that two of the Stanwell Power Station coal units are assumed to retire under the slow scenario and all four units under the fast scenario.
- Alex Fattal (Origin) asked for clarification around what is meant by the slow and fast scenarios. Rachael Saw (AEMO) clarified that AEMO applies consistent scenario definitions between electricity and gas forecasts. As such, this consistency does soften the degree of dispersion between the GPG forecasts. The scenario definitions are outlined in the Consultation Paper, and will be described in the GSOO itself.
- Elsie Zhao (Multinet Gas) asked what the corresponding Effective degree days (EDD) standard was for the '1 in 2' and '1 in 20' peak demand in Victoria. Daniel Guppy (AEMO) answered that modelling methodologies have been transitioning from deterministic to probabilistic, so weather and EDD standards were not specific inputs or outputs of these models. This methodology was published in the GSOO 2018 paper. Daniel confirmed that the historical peak day data has not been weather normalised, and is actual demand at the time of coincident peak.
- David Headberry (Major Energy Users) asked if the GSOO forecast comparisons can be provided not only on an aggregate level, but also by regional category (VIC/NSW/SA and QLD/NT). Nicola Falcon (AEMO) thanked David for the suggestion and confirmed this comparison would be provided in the upcoming GSOO report. (Action 14.4.1)
- Jennifer Brownie (Queensland Electricity Users Network) asked if hydrogen-powered generation would be making its way into the upcoming GSOO. Rachael Saw (AEMO) replied that hydrogen would not feature in the 2019 GSOO report, however AEMO is paying close attention to the potential development of hydrogen-fueled generation in Australia.

5. Forecasting Accuracy Report (FAR) feedback

Magnus Hindsberger (AEMO) presented on the Forecasting Accuracy Report (FAR) feedback that was cut short by video conference issues in the previous December 2018 FRG. Input is requested on how the FAR meets stakeholder needs and feedback on the additional commentary and statistics provided.

Key discussion points during the presentation included:

- David Headberry (Major Energy Users) stressed the importance of the report and dissuaded any attempt to retire the FAR. Magnus Hindsberger (AEMO) agreed and confirmed there were no plans to retire the FAR. Nicola Falcon (AEMO) added that the FAR is being ramped up in frequency and detail, and that it is critical for feedback to help shape the report into the future. (Action 14.5.1)

- Ron Logan (ERM Power) suggested the FAR could benefit from reporting on the weather stations selected to compile the probability of exceeedance (POE) statistics. Additionally, including not only the temperature on peak demand days but also the demand on peak temperature days would help to better understand the impact of weather on demand. Nicola Falcon (AEMO) thanked Ron for the suggestion.

- Jennifer Brownie (Queensland Electricity Users Network) suggested that AEMO's media publications concerning temperature were confusing for consumers due to the use of a new concept of 'feels like' temperature. Daniel Guppy (AEMO) clarified the 'feels like' (or, apparent) temperature is a function of dry temperature and humidity, and is produced by the Bureau of Meterology (BOM), and has been used by BOM for some time. Neale Scott (AEMO) responded he would take the feedback to the communications team. (Action 14.3.1)

6. Other Business

- Craig Oakeshott (AER) informed the FRG that the AER and AEMO are seeking to use more confidential data in calculating the reliability forecast as part of the Retailer Reliability Obligation (RRO) to ensure the forecasts produced by AEMO are as accurate as possible. It was also noted that this would mean that not all information can be disclosed publically in future. Further discussion on this will follow in the coming months.

7. Meeting Close

The next FRG meeting is scheduled for Wednesday 27 February 2019.

Forecasting Reference Group (FRG) Actions Items

Item	Date Raised	Topic	Action required	Responsible	By	Status
14.1.1	30/01/2018	Traffic Light System Query	AEMO to investigate previous communications on the traffic light system topic raised in the November meeting, to be communicated in the February meeting.	Neale Scott	27 February 2019	**Closed**
14.2.1	30/01/2018	2019 Planning and Forecasting Consultation Paper, found here	FRG participants to provide feedback on the scenarios, inputs and assumptions in the Consultation Paper.	FRG participants	20 March 2019	**Open**
14.3.1	30/01/2018	'Feels like' (apparent) temperature	AEMO to provide feedback to Communications team with regards to use of 'feels like' temperature in publications.	Neale Scott	27 February 2019	**Closed**

14.4.1	30/01/2018	GSOO 2018/2019 forecast differences	AEMO to include difference in gas production forecasts for the two major region splits, as well as overall differences, in GSOO 2019.	Rachael Saw	GSOO pub date	**Open**
14.5.1	30/01/2018	Forecasting Accuracy Report (FAR) feedback	FRG participants to provide feedback on the FAR.	FRG participants	27 February 2019	**Closed**