# DSP Forecast Methodology 2020

Forecasting Reference Group, April 2020

# Discussion topics

1. Submissions received to the DSP Forecasting Methodology Consultation
2. DSP forecast methodology changes

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# Submissions received to the DSP Forecasting Methodology Consultation

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# Industry feedback

1. Clear preference for detailed DSP data, especially separate categories for RERT, Network (load and non-load control), Market, Industrial and even 'Other', potentially published in separate report.
2. Desire to avoid double counting across NMIs, and between DER and DSP. Sought clear rules for inclusion/exclusion based on categories in (1) and clarity on extent of adjustments already captured under Maximum demand.
3. Suggestions on calculation methodology: removing negative DSP response values, and addressing 'conservatism' of utilising 50th percentile DSP response during maximum demand.
4. Suggestions on improving DSP forecasting, such as including unsuccessful RERT tenders, using detailed NMI and SCADA data, and using year 3 DSP levels for the remaining 7 years of the ESOO.
5. Request for modelling/data to support broader industry adoption of DSP, as well as a request to freeze expansion of data collection for 3-5 years.

# DSP forecast methodology changes

# High level change list

1. Addressing perceived conservatism
    1. 50th percentile and RERT
2. Approach to treatment of Other Non-Scheduled Generation
3. Load-on responses

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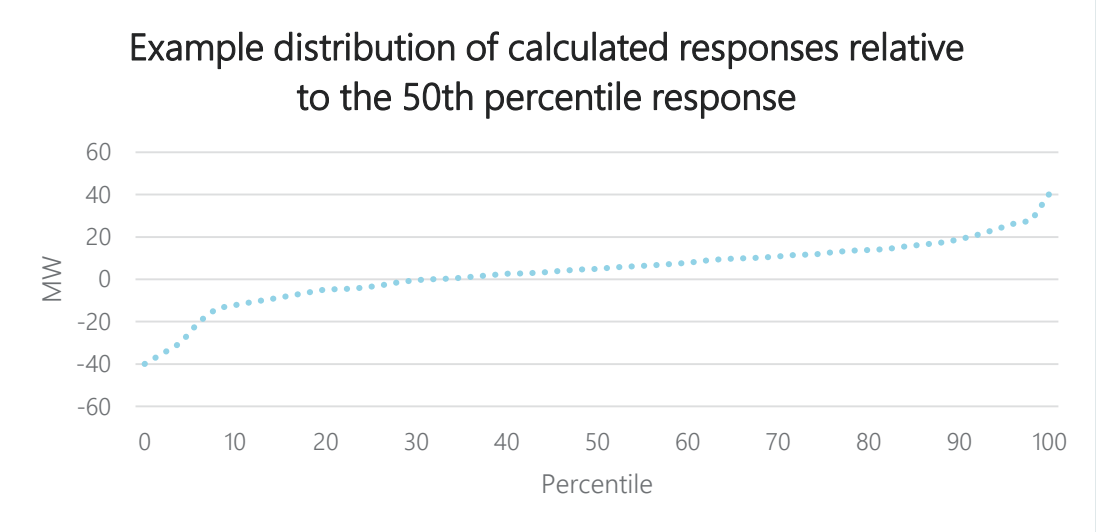
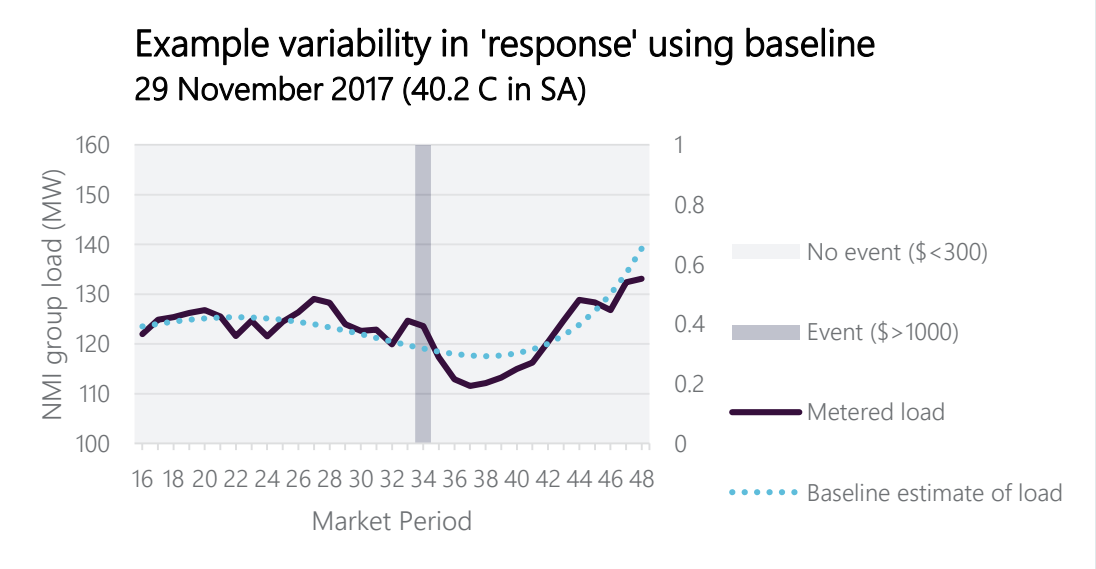
# Conservatism (1)

- The application of the 50th percentile has been suggested to be too conservative.
  - Validation of DSP in forecast accuracy report showed good alignment with observed DSP, supporting use of 50% POE level.
  - AEMO acknowledges that reporting of other POEs may be useful for contextualising 50th percentile with markers that convey the range of possible DSP.
- AEMO is proposing to assess and potentially include some added detail on the derived distribution of likely DSP in its reporting.

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# Conservatism (2)

- Participants contracted through RERT must not respond to market signals otherwise.
- Participants in RERT panels may provide a voluntary response outside of RERT orders.
  - Currently AEMO removes all NMIs that were part of any RERT portfolio in the previous Summer when estimating the current level of DSP.
- AEMO will investigate to what extent we can capture voluntary responses from sites that are in a RERT panel on days they were not called for RERT.
  - In most cases this cannot be included to avoid double-counting the voluntary response and the RERT response
  - The exception is when only part of a site is on a RERT panel or a contract, for example one potline at a smelter
- AEMO will also review the potential to update the DSP forecast later in the year once RERT contracts have been finalised; too late for ESOO but could feed into MT-PASA.

# Other enhancements considered

- ONSG – peaking type units included as DSP rather than ONSG
  - As discussed in the 2019 Forecast Improvement Plan.
    - Published as part of the 2019 Forecast Accuracy Report https://aemo.com.au/en/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-and-reliability/forecasting-accuracy-reporting

- Forecasting load increases as controlled by NSPs to manage minimum load conditions
  - Similar to load-on functionality as included in the new AS standard 4755.2 as
    - https://www.energyrating.gov.au/document/regulation-impact-statement-decision-smart-demand-response-capabilities-selected-appliances
  - The proposed rule change for wholesale demand response (pertaining to DSP, 3.7D(c)) allows for load-on DSP to be covered in the guidelines with change of the word "curtailment" to "adjustment" of non-scheduled load.
  - This will be explored in the 2020 ESOO, along with options for how this could be included in a DSP forecast, as part of a wider discussion on managing minimum demand conditions.

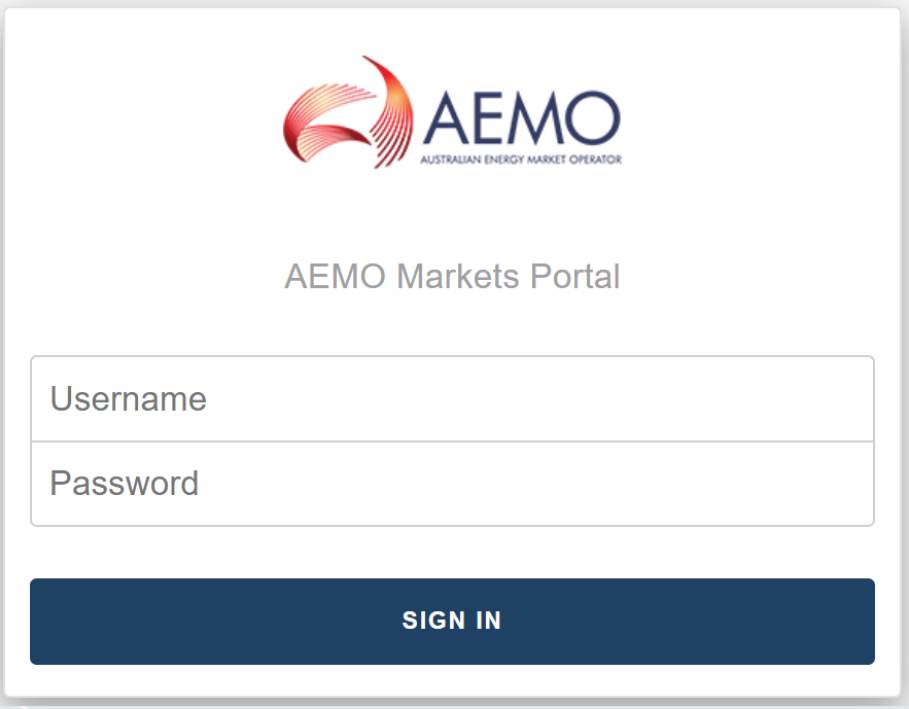
# Data collection and information guidelines

- AEMO is planning a review of the DSPI guidelines in 2nd half of 2020 to:
  - align with upcoming **WDR rule** in June 2020,
  - allow for a RRO qualifying contract to be specified, including future programs (committed or planned),
  - to align with the DER guidelines,
  - obtain information on possible load increases to address power system security issues during minimum demand conditions.
- Due to this, AEMO is anticipating possible changes to information requested, but acknowledges participant desire for stability in the information requested may be at odds with other requests to see more detail in reporting and data sources used.

# Reminder: The DSPI portal is closing

Submissions due by: 30 April, 2020

- https://portal.prod.nemnet.net.au/#/signin




Guidelines and portal help

- http://www.aemo.com.au

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