

MINUTES

MEETING: STPASA REPLACEMENT PROJECT – Stakeholder Update
DATE: Tuesday, 30 November 2021
TIME: 10:00 AM (AEDST)
LOCATION: Webex only
TELECONFERENCE: Dial: 1-800-517-287
Meeting access code: 2654 341 5584
Meeting password: jUREQ982547 (58737982 from phones)
Webex link for video systems: 26543415584@aemo.webex.com

Organisations Represented
Alinta Energy
Amber Electric
AusNet Services
Australian Energy Council (AEC)
Australian Energy Market Commission (AEMC)
Australian Energy Regulator (AER)
Clean Energy Council (CEC)
CS Energy
DELWP VIC
Energy Australia
GLOBAL-ROAM
Haast Energy
Hydro Tasmania
Iberdrola Australia
Origin Energy
Powercor
Shell Energy
Snowy Hydro

Welcome and Introduction – Chair – Paul Johnson (AEMO)

The chair welcomed and informed the attendees that:

- Notes will be taken, and a summary circulated after the session.
- Participants are not permitted to record the meeting. Unauthorised recording is likely to break a number of state and federal laws.

Update on Progress – Shivani Mathur (AEMO)

Slides 3 to 9 from the slide pack were discussed. Key discussion points were:

1. Objective of the ST PASA Replacement Project
2. Progress to date
 - 2.1 Phase 1 Completed
 - 2.2 Phase 2A commenced
 - 2.2.1 Detailed business requirements being developed, and formal procedure consultation expected to begin early in 2022
 - 2.2.2 Development of Uncertainty Margin
 - Shell Energy commented that Uncertainty Margin values presented in the previous session were very large. AEMO advised that those values were based on preliminary work and were indicative only. The size of the Uncertainty Margin values will depend on the confidence level selected as part of the Consultation process.
 - AEMO explained that the confidence level is the probability that the forecast error will not exceed the value of the uncertainty margin. When completed, AEMO will demonstrate the results from its back-cast using different confidence levels and any methodology and choice of confidence levels will be consulted on. AEMO agreed with the stakeholders that the confidence level is critical in determining the final uncertainty margin values and LOR levels.
 - Following a question from EnergyAustralia regarding the uncertain timing of coal changes in the weather and the large impact this has on demand and reserve levels, AEMO explained that the uncertainty in weather forecasting is implicitly modelled in the demand forecast error uncertainty margins, but there is no explicit modelling of errors in weather forecast.
 - AEMO also explained that it is considering having different confidence levels for different horizons. It is also considering having different levels for different types of day – not based on level of demand, but drivers that create a high/low demand day.
 - Stakeholders and AEMO agreed that demand forecasting is becoming increasingly difficult, but is a critical success factor for various NEM initiatives.
 - 2.2.3 The progress on the Request for Proposal for the SCED system and load forecasting module was discussed.
 - 2.2.4 The progress on the AEMC rule change consultation was discussed.

Stakeholder Feedback Received to date – Shivani Mathur (AEMO)

Slides 10 to 22 were discussed. Slides 10 and 11 list the themes of feedback AEMO has received either directly from stakeholders (one-on-one or previous workshops) or via the submission to AEMC's rule change consultation. Key discussion points were:

3. Two-stage or single stage rules consultation for procedures
 - Shell Energy and Snowy Hydro expressed concern that it appears AEMO proposed to do lesser consultation and the meaning of 'minor' changes was unclear.
 - AEMO explained that as set out in its submission to the AEMC, it proposed a more flexible consultation approach to allow flexibility and efficiency for both stakeholders and AEMO. It is proposing to do a two-stage consultation to develop the 'new' procedures as part of this project. AEMO understands that there are considerable changes being made to the PD/ ST PASA process requiring a more extensive consultation (i.e., two rounds of consultation) with stakeholders. However, AEMO is proposing that more insignificant future changes may only require and could benefit from a single-stage consultation approach.
 - AEMO agrees that it needs to identify what it means by 'minor' (or 'insignificant') changes. It should be noted that the AEMO proposed rule drafting allows for other minor changes (e.g., typographical or spelling errors) to be made without any formal consultation. AEMO's aim is to be as transparent as possible and listen to stakeholders while being flexible and efficient in responding to rapid changes in the power system.
 - Shell Energy enquired if there could be a trigger included in the process to allow stakeholders to raise concerns if they believed a single-stage consultation process was inappropriate for an AEMO proposed change. AEMO will consider if a NER clause could be included to allow stakeholders to object to a single stage consultation process which could be like the objection requirement included in the National Electricity Law for expedited rule requests.

4. Suggestions that AEMO ignored 'constructive criticisms'
 - AEMO explained that it has considered all the feedback it has received and attempted to address these with relevant stakeholders.
 - Shell Energy expressed the view that the rule change proposal submitted by AEMO was a surprise to it and other stakeholders. AEMO explained that the rule change was based on the topics discussed in the previous stakeholder workshops and the themes of the proposal were discussed in the workshop. AEMO also discussed (in the stakeholder workshop and one-on one meeting with Shell Energy) that at the time, it needed to submit the rule change to the AEMC to ensure it had sufficient time to undertake its process and AEMO's project timelines. Additionally, the AEMC runs a transparent two stage consultation process and determines the NER.

5. PASA Availability and Recall time
 - AEMO explained its proposal to make recall time flexible instead of the fixed 24-hour period and that the recall period would be published via the normal bidding process. AEMO also provided some examples to illustrate how the new process would work.

- AEMO will consult further on generator recall notification, covering both current and possible future arrangements.
- Snowy Hydro and Iberdrola raised concerns that the proposed generator recall notification process would be quite onerous for them as they have aggregated units and would need to aggregate individual PASA availabilities and recall times. They could recall a plant a lot quicker if they are given notice during the day as compared to night-time.
- AEMO advised that this requirement has been driven by stakeholders that believe a fixed recall time is quite inflexible. Additionally, some stakeholders would like PASA availability being used in PD/ST PASA instead of max availability. AEMO explained that use of PASA availability cannot be done effectively if we are not told what the actual recall times are. Only minimal numbers of participants are submitting their recall times via the 'Generator recall' portal and AEMO finds it inefficient to call each participant to find out their recall times, especially during tight reserve conditions.
- A stakeholder also suggested that AEMO could publish recall time on a DUID basis (similar to what is proposed for PASA availability)
- AEMO suggested that in light of these concerns we would discuss this topic in further detail during the procedure consultation.

6. ST PASA modelling methodology to be publicly available

AEMO is considering purchasing the STPASA optimisation engine from a vendor. AEMO will be requesting the optimisation formulation to be made available to AEMO and for AEMO to be permitted to publish that information externally. However, AEMO will be bound by the vendor's contract terms and conditions.

7. Use of PASA Availability

AEMO explained that it is considering the appropriate use of Max Availability and PASA Availability in PD/ST PASA.

8. LOR/Intervention Levels

- As outlined in the slides (including the Appendix A) the level at which AEMO intervenes depends upon the confidence level chosen for that run.
- Some stakeholders believe that loss of generation is being double counted in the new PD/ST PASA methodology. AEMO will further clarify its methodology in the procedure consultation process and address any double-counting concerns at the time.

9. Declaration of LOR conditions

AEMO is considering appropriate terminology to be used for declaration of forecast conditions in near real-time.

10. Demand Side Participation

Following a question from the AEC, AEMO clarified that the act of demand side participation will, all other things being equal, result in smaller uncertainty margins due to the reduction in load, reducing the frequency of under-forecast errors.

11. Technical Availability for semi-scheduled units

- EnergyAustralia explained that they would like to see more transparency in information on semi-scheduled units as they see in scheduled units
- The AEC asked if AEMO was asking the AEMC to rule on publishing this information because the current rules did not allow AEMO to publish this information or because the rules were silent on this. AEMO explained that like individual bid availability information, this information might be considered commercially sensitive and AEMO may only be able to publish this information if AEMC puts it in the rule change. AEMO agreed to investigate the rules further.

12. Other feedback

- CS Energy raised the importance of NOS outages be submitted as early as possible to give more accurate forecasts of reserves.
- The AEC asked if AEMO has considered the capacity mechanism initiative in its design of the new methodology. AEMO advised that it is keeping up-to-date with all the NEM initiatives and will take them into consideration as more details are known.

13. Latest Indicative Timeline

- AEMO showed an indicative timeline for the project and highlighted that the 'Go-Live' date is still under review as there are many variables to work through.
- AEMO has informed the AEMC that the new system may not be in place until at least Q3 2023 and the reasons for this.

14. Contact Information

AEMO welcomes any further questions or feedback via email on 'STPASARreplacement@aemo.com.au'.