



17 June 2021

Ben Blake
Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001
Lodged via email: ben.blake@aemo.com.au

Dear Mr Blake

RE: 2021 Congestion Information Resource guidelines

Shell Energy Australia Pty Ltd (Shell Energy) welcomes the opportunity to respond to the Australian Energy Market Operator (AEMO) consultation on the Congestion Information Resource (CIR) guidelines (the Guidelines).

About Shell Energy in Australia

Shell Energy is Australia's largest dedicated supplier of business electricity. We deliver business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers. The second largest electricity provider to commercial and industrial businesses in Australia¹, we offer integrated solutions and market-leading² customer satisfaction, built on industry expertise and personalised relationships. We also operate 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and are currently developing the 120 megawatt Gangarri solar energy development in Queensland. Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy.

www.shellenergy.com.au

General comments

Shell Energy considers the CIR to be a valuable resource in its current state, but there are areas for improvement. This submission provides several suggestions, grouped by the four questions underpinning AEMO's consultation. Most of our suggestions relate to additional content that would be useful to include as part of the CIR.

In addition to these suggestions, we recommend that AEMO includes a marked-up version of the Guidelines as part of the next round of consultation. Without a marked-up version for this first round of consultation, it was challenging to identify the proposed changes AEMO has flagged. We also recommend that, in the next round of consultation, AEMO confirms the CIR webpage will include active links to all the documents listed in section 2.4 of the draft Guidelines.

¹ By load, based on Shell Energy analysis of publicly available data

² Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2020.



Quality, relevance and frequency of information currently provided in the CIR

Shell Energy considers that, in general, the information currently provided in the CIR is appropriate. However, it would be useful if the monthly and annual constraints reports had more granular segregation of data with regard to the “Type” of constraint. In particular, where a constraint is associated with the provision of power system services (i.e. system strength) or a generator being constrained off due to a lack of power system services, it would be beneficial if the constraint was designated as such rather than the currently used “NIL” (which simply indicates no transmission elements are out of service). This would ensure a consistent, like-for-like comparison of the market impacts of the various types of constraints applied by AEMO. Shell Energy Australia would be happy to discuss this suggestion in more detail with AEMO.

What additional information should be included in the CIR?

Forecasting of future network congestion

As it stands, the CIR provides information in hindsight. I.e. it reports on what constraints have bound in the past, and how these constraints have impacted the broader network. This information is valuable and should be retained.

However, it would be useful if the CIR also included a forecast of network congestion in the medium-term future. This would help to improve market participant decision making (e.g. in relation to potential future investments and operational and contracting strategies).

This suggestion could be implemented by producing a quarterly report showing the constraints that are forecast to bind (and the frequency of them binding) as obtained from the medium-term projected assessment of system adequacy (MTPASA) POE10 and POE50 demand forecast reliability assessments. The report could be:

- aligned with the first MTPASA run in each quarter, and cover the MTPASA reliability assessment period
- relatively high-level, and direct interested parties to the MTPASA data for more detail.

As this data is already calculated as part of the MTPASA reliability assessment, we consider that this would be relatively simple to implement, but would be of material value to market participants.

Replication of the AEMO control room network mimic panel

During periods of extreme power system conditions (when unplanned network outages may occur), AEMO’s control room staff typically have limited capacity to issue and update market notices in a timely manner as they are rightly focussed on maintaining the secure operation of the power system. This is entirely understandable, but it means that there is a delay between physical changes in the network, and market participants becoming aware of them. This inevitably leads to less-efficient decision making than would occur if market participants had access to real-time information³. This issue was highlighted during the summer 2019/20 NSW bushfire and the 25 May 2021 Calvale switchyard failure events.

To address this, we recommend that AEMO makes available to market participants a replica of the network mimic panel used in AEMO’s control room. The mimic could be hosted on the Electricity Market Management System (EMMS) or a secure AEMO website to mitigate security risks.

There are a range of situations where real-time information would prompt a more efficient response from market participants, which would ultimately flow through to lower prices paid by consumers. Examples include the following.

³ For the avoidance of doubt, we consider this inefficiency to be a result of a systems failure, not a failure of AEMO control room staff.



- Real-time outage information may prompt generators to source fuel and/or bring units online prior to being directed by AEMO.
- Providers of time-limited services (e.g. short-duration storage or demand response) would be better-placed to anticipate system requirements for the near future. Improving the information available to them could avoid a situation where they exhaust their ability to generate (or reduce demand) prior to when their output would be most beneficial to the system. This will become more important as synchronous generating units retire, and storage and demand response become more critical for power system operations.

Improved monitoring of network outage planning

The Network Outage Schedule (NOS) is a useful tool for market participants. To further increase its utility, we suggest that the CIR should include a report (either annually or monthly) on:

- the time blocks between the lodgement of each outage request in the NOS and the outage commencement date
- the number of times each network outage date was changed (including a histogram of the number of days each outage date was changed by).

Currently there is no assessment of what would be considered good outage planning practices by Network Service Providers (NSPs). The closer to the outage date that a network outage advice is provided to the market, the less time is available for market participants to implement adjustments to ensure efficient market outcomes. Similarly, short-notice changes to planned network outages may lead to inefficient outcomes if adjustments made by participants in response to planned network outages are negated by a change in the outage dates.

In our view, the first step to address this issue is to obtain a better understanding of the network outage planning outcomes and changes in network outage plans. This would provide transparency to NSP's actual outage planning practices. From there, it may be possible to identify and implement improvements in the network outage planning process.

Network outage management

To improve market participants' understanding of outages (which would improve participants' ability to plan for future outages), we recommend that the CIR includes a report (either annually or monthly) on the timeliness of outage commencements and completions. In particular, it would be useful for the report to include statistics on the number of times the outage return to service (RTS) is delayed, and the length of the delay.

What congestion-related information could AEMO stop publishing in the CIR?

Shell Energy recommends that AEMO continues to publish all the information it currently includes in the CIR. We consider that it remains relevant to stakeholders for making operational, planning and investment decisions.

Requiring TNSPs to publish limits advice

We support AEMO's proposal to revise the Guidelines to include a clear requirement for NSPs to publish limit advice on their respective websites or on AEMO's limits advice page. Where data is published on an individual NSP's website, we recommend an active link to this be established on the CIR website.

Where dynamic limits are used, it would be useful for market participants to have access to this information in real time on the system mimic described above.



Conclusion

The CIR is a valuable resource in its current form. However, by implementing our above suggestions, we believe the CIR could materially improve efficient decision-making in both operational and investment timescales. This improved efficiency would ultimately flow through to lower costs to consumers.

We thank AEMO for the opportunity to provide feedback, and look forward to further engagement as consultation progresses.

If you would like to discuss this submission further, please contact Ron Logan, Senior Markets Adviser at ron.logan@shellenergy.com.au or on 0427 002 956.

Yours sincerely

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