

19 January 2017

Karen Olesnicky
Acting Chief Executive Officer
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By e-mail: energy.forecasting@aemo.com.au

Demand Side Participation Information Guidelines

Dear Karen,

Energy Networks Australia welcomes the opportunity to make a submission to the Australian Energy Market Operator (AEMO's) Demand Side Participation Information Guidelines Issues Paper (November 2016).

Energy Networks Australia is the national industry body representing businesses operating Australia's electricity transmission and distribution and gas distribution networks. Member businesses provide energy to virtually every household and business in Australia.

Energy Networks Australia recognises and supports AEMO's obligation under clause 3.7D of the National Electricity Rules to develop guidelines that require Registered Participants to collect and provide to AEMO appropriate high quality information that is used in developing and then applied in electricity load forecasts.

Through consultation with its member businesses, Energy Networks Australia has identified several general comments for further consideration by AEMO, and has provided responses relating to the five questions posed within the Issues Paper for comment (please see [Appendix A](#)).

Data collection requirements

Energy Networks Australia supports practical and reasonable information collection requirements which are proportionate and clearly correlated to the intended final use of this information. Based on a clear understanding of these objectives, such information provision should help to ensure that costs borne by AEMO, network service providers (NSPs) and consumers alike are minimised.

Energy Networks Australia acknowledges AEMO proposes to request raw data from Registered Participants to improve the accuracy of forecasting data, reduce workload on Registered Participants, while also seeking to obtain details on intra-day demand response. Initial efforts by NSPs to provide this reporting to AEMO will be likely to be undertaken manually, and will then take up to two years to develop automated reporting systems.



Manual extraction and arrangement of data in the format proposed by AEMO within the Issues Paper may be prohibitively time consuming and expensive for NSPs practising complex load control activities. For example, an NSP may utilise different groupings of National Meter Identifier (NMIs) and switch this load on or off at differing times of day throughout the reporting period. This may require completion of a significant number of copies of the data table requested by AEMO.

A reasonable aggregation of data can assist Registered Participants to provide AEMO with meaningful information on demand response at a level of granularity which is more practical than on an individual NMI basis. Energy Networks Australia considers AEMO should contemplate allowing aggregation of some data sets where practical to assist in reducing the likely reporting burden on Registered Participants as well as reducing data processing burden on AEMO itself. Further clarification by AEMO as to how NSPs would represent active demand management or load control within the reporting templates will assist in estimating initial and ongoing reporting costs.

Linkages to related consultation processes

Energy Networks Australia recommends that AEMO consider the interdependencies of the DSP Information Guideline with related consultation processes currently underway, including:

- the Council of Australian Governments' (COAG) Energy Council's Energy Storage Registration consultation;
- the Australian Energy Market Commission's (AEMC) Distribution Market Model review;
- the Australian Energy Regulator's (AER) Demand Management Incentive Scheme and Innovation Allowance Mechanism consultation;
- the AEMC's Local Generation Network Credits final rule determination; and
- AEMO's Power System Data Communication Standard.

For example, there is potential that the outcomes of the COAG Energy Council's Energy Storage Registration consultation process could influence how much information AEMO may already have available without asking NSPs to separately report on certain fields.

Analysis undertaken by the CSIRO and Energy Networks Australia through the Electricity Network Transformation Roadmap (ENTR) highlighted the importance of regulators, market operators and NSPs working together to consider a well-planned approach to navigate the current transformation of the electricity system. As such, Energy Networks Australia also recommends that AEMO consider hosting or co-hosting with Energy Networks Australia further stakeholder engagement workshops to consider and address the linkages between the DSP Information Guideline and other related pieces of work currently underway as listed above. A broad engagement workshop could help all stakeholders understand what information will be collected, stored or provided by which actor for major forms of data within the power system of the future.

Rollout implementation timeframe

In terms of the timing of the first information request, and in light of the need to consider potential linkages to other related consultation processes underway, Energy Networks Australia would welcome the opportunity to work collaboratively with AEMO and other interested stakeholders to develop a wider strategy for addressing key issues in power system data management, communications and reporting. This will assist in taking a system-wide approach to these matters and preventing potential costly duplication of investment.

As stated previously, manual data extraction and arrangements for reporting DSP information to AEMO will be required in the first instance for most NSPs. As the proposed reporting requirements are considered substantial, NSPs are likely to develop more automated reporting in subsequent years. Improved clarity on intended and actual use of DSP information by AEMO would assist NSPs in estimating the required investment and development timeframes of automated reporting systems, thereby establishing suitable rollout implementation and reporting timeframes.

Accuracy of information

As stated previously, some NSPs will utilise dynamic load control signal timing throughout the proposed reporting period. As evident through the ENTR, load control and demand management more generally is forecast to play a more significant role into the future. Where forecast information is provided by NSPs, Energy Networks Australia recommends AEMO consider this information as subject to change.

Furthermore, the role of the 'aggregator' of distributed energy resources (DER), as anticipated within the Issues Paper, is still to be fully realised, and may see a more dynamic use of DER than the proposed reporting template allows for. Energy Networks Australia recommends AEMO consider the implications for this when determining reporting requirements and evaluating the accuracy of information supplied.

Energy Networks Australia would also appreciate clarification from AEMO as to whether changes to under frequency load shedding arrangements during reporting periods would require submission of an updated information report.

For the reasons identified above, the details of the final AEMO's DSP Information Guideline will therefore be important. Energy Networks Australia and its members look forward to future engagement with AEMO on this matter.

Should you have any additional queries, please feel free to contact Heath Frewin, Energy Network Australia's Senior Program Manager – Asset Management on (02) 6272 1531 or hfrewin@energynetworks.com.au.

Yours sincerely,



John Bradley
Chief Executive Officer

APPENDIX A

Address of specific questions raised

Question for discussion	Energy Networks Australia response
<p>What are the costs and impacts of AEMO’s proposed data requirements?</p>	<p>Feedback received by Energy Networks Australia from its member businesses indicates that the provision of the data required by AEMO as per the proposed data model would represent a significant resource investment. Initial reporting effort would most likely be manual, and may prove disproportionately expensive compared to the intended benefit if AEMO requires NSPs to provide raw data in the tabular format proposed.</p>
<p>What time of year should the information be submitted to AEMO?</p>	<p>Energy Networks Australia suggests AEMO consider aligning reporting timeframes with similarly, related reporting timeframes required by AEMO of NSPs.</p>
<p>What would be the incremental cost if AEMO requested the data twice annually, rather than once annually?</p>	<p>Incremental costs to NSPs for reporting twice annually is dependent on the level of reporting automation achieved and the final level of information granularity acceptable to AEMO. Aggregation of suitable datasets in a pre-existing or practical format would improve the efficiency with which NSPs could provide the required information.</p>
<p>How much time do Registered Participants think they will need to prepare for compliance with the DSP Information Guidelines?</p>	<p>As stated above, provision of the data required by AEMO as per the proposed data model would represent a significant resource investment for NSPs, taking up to two years to develop automated reporting systems. Energy Networks Australia recommends AEMO consider the desired reporting timeframes and final use of the information and work with Registered Participants to understand what information may be aggregated, estimated or omitted to meet this timeframe and intended use.</p>
<p>What DSP information do Consulted Persons want to see published by AEMO?</p>	<p>Energy Networks Australia has not identified any additional specific DSP information that should be published from DSP information submissions at this time.</p>