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Issues Paper – Demand Side Participation Information Guidelines

United Energy (UE) appreciates the opportunity to respond to AEMO on the Issues Paper – Demand Side Participation Information Guideline (the Guideline).

AEMO has proposed the following in the Guideline:

- Annual data collection of DSP data, no requirements for analysis or interpretation by participants which allows AEMO to analyse and interpret the data more effectively and efficiently;
- Focus on providing intra-day demand response details, either due to price signal or network loading: and
- Commence on a date that will be determined after consultation with affected registered participants.
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AEMO have provided 2 data requirements:

1. List of all NMIs where various types of DSP are present regardless of size. AEMO may perform targeted analysis on subsets of customers;
2. Specific detail on individual connection points with DSP above 1MW or aggregated DSP programmes above 1MW which enables AEMO to undertake more accurate modelling of customers with significant levels of demand response.

We are of the opinion that AEMO's data request from UE should only cover business-as-usual demand response programmes that are used by UE to provide network support to alleviate capacity constraints on distribution network assets (either undertaken by UE or contracted by UE to a third-party). Our preference is the data should not include time-of-use tariffs, HW and slab floor heating, or programmes undertaken by others (e.g. retailers) in UE's service area that are not contracted to provide network support to UE. Such information should be sourced from others.

UE provide responses to AEMO questions and further comments on the two data requirements below.

Data requirement 1 – NMI list

Rather than a regulatory obligation that is most likely met by retailers particularly in relation to reporting on customers with time-of-use tariffs, it is preferable that the wording be clear on the registered participants that must comply.

The **network event tariffs** – We assume this relates to voluntary load reduction programmes for a customer providing network support benefit to alleviate a capacity constrained network asset as opposed to customers with a time-of-use network tariff. Is this correct or are you wanting both? Would this

include small load control trials or only business-as-usual network support programmes? Alternatively should the voluntary load programmes only be provided once in the alert list data item?

Network controlled load – Where the network has control over load like HW or slab heating, we query how this is demand side participation information that is valuable to AEMO's demand side forecasting as it is not switched in the hot summer day time period when the network is operating at its peak demand, rather it operates overnight or in winter. In Victoria these are controlled loads that generally work the same each day regardless of pool price peak or network constraints and the operation does not participate in a reduction response as such.

With Victorian AMI meters the time switch control is within certain types of AMI meters that may be TOU or dedicated load control tariffs. UE is able to provide this NMI list based on which meters have this capability, however the customer may or may not be using the electrical circuit in question if they have new appliances eg have swapped to gas HW.

UE is not in a position to advise the MW under control and as noted above this does not operate during the day and is not an available load reduction in this respect. UE suggest that Victorian DBs should be exempted from providing this information in both data requirement 1 and data requirement 2. It is not efficient to collate some 60,000 NMIs for AEMO from a load control that would not be operated to reduce load during the day.

However we assume this better relates to controlled load reduction programmes for a customer providing network support benefit to alleviate a capacity constrained network asset as opposed to customers with HW or slab heating tariffs. Is this correct or are you wanting both? Would this include small load control trials or only business-as-usual network support programmes?

Data requirement 2 – DSP greater than 1MW

Load reduction –

We assume the 1MW threshold applies to single customers or can apply to many connection points where the aggregated demand response of a programme is above 1MW. Is this correct?

A network may contract for a certain load reduction with a demand response party, however a demand response party may choose to include in its demand response portfolio an amount of load above the contracted amount to ensure that there is diversity in the load available for reduction at any time so they met their reliability obligations. Does AEMO want the total contracted load or the total load available in the portfolio in the knowledge that UE would only every dispatch up to the total contracted load? UE is concerned that load could be counted twice.

DSP type – load type - UE don't have ANZSIC codes against NMIs to provide AEMO. If this information is required IT system changes will be required and this will delay providing the data.

UE also only have business or residential and not industry and commercial categories. Suggest AEMO amend the data requirements, or limit the network data responsibilities to residential or business.

DSP type – fuel source – EG –if we have diesel EG that can operate to grid or in an islanded state, how should this be treated? The generator registration guide may consider these generators exempt or non-scheduled but the load may or may not be available in the NEM if the customer chooses to island from the grid for a time?

Storage – is the obligation on the network to provide this data only when we own and control the storage and not when another party owns/controls. If a network contracts a third-party for a demand response, it is unlikely that we will know the dates commissioned, make and model nos or the storage capacity and permitted export, we will only have the details we have contracted as opposed to what the equipment may be able to do. Our ability to collect and record this data may be subject to the outcomes of the COAG battery registration paper.

If a battery programme had 100,000 sites does AEMO really see value in 100,000 commissioning dates, makes and models etc?

Historical timing and magnitude of response – UE queries the value of historical MW for an event without any context of the event, date, time, length of hot weather, type of response, new trial/product etc.

1*. What are the costs and impacts of AEMO's proposed data requirements? Please break down and describe these costs based on:*
a. Upfront once-only costs versus ongoing costs
b. Separation of internal labour costs, contracted labour, system improvement

UE has data in a number of disparate databases. To meet the requirements of the 1st data requirements the lists of NMIs will need to be created and collated which will be a fairly manual process. Once the final Guideline is available UE will consider the firmness of the requirements and whether there is a cost benefit case for a more automated process and IT systems.

The lists of NMIs' is not expected to be in the 100,000's and labour costs are not expected to be high. Despite this, providing this level of data is a cost increase compared to the past threshold based approach to provision of information and aggregated data.

2. What time of year should the information be submitted to AEMO?

To minimise costs for UE, data should be provided annually in around April at the same time as data is provided to AEMO for the National Electricity Forecasting Report (NEFR) and connection point forecasting. The first data request should be due in April 2018 given the extensive workload involved in IT systems, processes and training for the metering competition rules which commence on 1 Dec 2017.

3. What would be the incremental cost if AEMO requested the data twice annually, rather than once annually?

Given that UE envisage that these data requirements may change over time, UE will be meeting the requirements manually.

Aligning the data request with AEMO's current forecasting schedule will allow us to use existing resourcing. A second data request later in the year would result in substantial increases in ongoing costs as we would need to procure another FTE to resource the data provision in a normally busy part of the year in the lead up to summer. As noted above the first data request should not be earlier than April 2018.

The final DSP Guideline needs to include the annual data requirement as the required frequency. Any move away from an annual requirement needs to be part of a Rules consultation process as an amendment to the Guideline

4. ***How much time do Registered Participants think they will need to prepare for compliance with the DSP Information Guidelines? If longer than three months, please provide evidence-based reasons.***

UE recommend that the first data request is no earlier than 9 months after the Guideline is finalised.

UE need to review the final Guideline and ensure that we have the data recorded in the various databases. Where we don't have the data we will need to investigate whether it can be collated and the database structure amended or whether we need to instigate processes to collect/validate the data and manually add into the data collated each year.

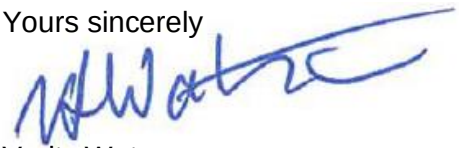
Whilst our preference may be for IT systems and an automated extract of data which would make a second request easier and provide better repeatability of data provided this needs to considered and justified internally.

5. ***What DSP information do Consulted Persons want to see published by AEMO?***

UE wish to understand the assumptions made by AEMO on the raw data and also see the aggregated demand side participation data for each transmission connection point before the data is reconciled with the NEFR forecast. Our business and regulators will expect that we can reconcile with AEMO forecasts and we need to be in a position to explain any differences.

Should you have any comments in relation to this response please do not hesitate to contact me on (03) 8846 9856.

Yours sincerely



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