



**EnergyAustralia**

LIGHT THE WAY

10 May 2017

RSIG consultation  
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Dear Ms Rizamore

### **AEMO – Reliability Standard Implementation Guideline - 2017**

EnergyAustralia is one of Australia's largest energy companies with over 2.5 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market.

We welcome the opportunity to provide the following comments on the proposed amendments to the Reliability Standard Implementation Guideline (Guideline). In general we support improvements to the medium term projected assessment of system adequacy (MT PASA) in order to make it a more useful indicator of system adequacy. Further, changes to reduce the confusion currently experienced in having the energy adequacy assessment projection (EAAP) and MT PASA produced using vastly different methodologies would improve the ability of participants to interpret market data. We believe the new method will produce more reliable results and that this will assist all parties in positively identifying and taking action on system adequacy issues.

We consider that the proposed changes go some way to meeting these goals by providing a level of alignment with the EAAP, but retaining the regularity of the current MT PASA process. We consider that the proposed change to a probabilistic methodology is likely to result in improved outcomes; however we are also concerned that there exists the risk of reduced transparency in the process.

We would support the change to a probabilistic methodology as long as a level of access to substantially the same data can be retained. This includes inputs such as the demand trace and availability trace. The new methodology must provide enough visibility on these inputs that participants have confidence in the outputs, including retaining the current 3 hourly resolution.

As discussed at the workshop on this topic, we would strongly encourage AEMO to run their projections regularly. The present weekly run provides participants with an up to date view of system adequacy and we have strong reservations about reducing this update frequency. While we understand that there are likely to be resource constraints imposed through probabilistic modelling, it is important to us that this doesn't decrease the frequency of projection runs.

Workshop participants appeared to have reservations about anything less than a monthly frequency of performing projection. We share these concerns and consider that monthly may be too infrequent as this time period could mean updates following major market changes are too delayed to assist participants. Our preference would be for no less frequent than fortnightly projections to be conducted. However, were this not possible due to resourcing issues we consider that an alternative would be to retain some capacity to perform ad hoc projections in the event of a major market event that would be likely to affect the projection in a material fashion. The threshold for conducting such an ad hoc projection could form part of the guidelines.

We note that as part of this consultation AEMO is potentially seeking to propose a Rule change that would allow for more granular categorisation of bids, down to the dispatchable unit identifier level, if it considers this change would promote the national electricity objective (NEO). At this stage we do not support this change, considering it does not provide any further detail related to system adequacy and thus is not relevant to the MT PASA. We do not consider that any substantive arguments have been raised that demonstrate that this level of detail would otherwise promote the NEO. It is our opinion that this detail is sought by some participants to assist with their trading process, which we consider is outside the scope of the NEO.

If you would like to discuss this submission please contact Chris Streets on 03 8628 1393

Regards

**Chris Streets**

Industry Regulation Lead