



AGL Energy Limited
ABN: 74 115 061 375
Level 24, 200 George St
Sydney NSW 2000
Locked Bag 1837
St Leonards NSW 2065
t: 02 9921 2999
f: 02 9921 2552
agl.com.au

Australian Energy Market Operator

Lodged electronically via: mlf_feedback@aemo.com.au

Forward looking transmission loss factors consultation – Issues paper

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AGL Energy Limited (**AGL**) welcomes the opportunity to respond to the Australian Energy Market Operator's (**AEMO**) Forward looking transmission loss factors consultation paper.

Intra-regional constraints

AGL considers it is a good approach for AEMO to consider intra-regional constraints in the methodology, however this was limited to a few selected constraints, deemed to regularly bind under system normal conditions. AGL's view is that AEMO should ensure the constraints selected adequately capture any existing/emerging constraints, as omissions will have material impacts on the Marginal Loss Factors (**MLFs**). Further, AGL recommends that AEMO publish the details of any such constraints, as well as the process and methodology of adjusting generation to satisfy the constraints, to give stakeholders greater understanding and provide effective transparency in the MLF methodology.

New plant commissioning profiles

In AEMO's new plant commissioning profiles, AEMO proposes:

- i. Wind – linear ramp of capacity of 9 months
- ii. Solar – 1/3 capacity for 4 weeks; 2/3 for 4 weeks; full capacity thereafter

AGL considers this solar commissioning profile too optimistic and only representative of projects in strong network locations. For example, history points to much longer timeline for solar farms in the West Murray region. AGL would like to suggest a solar commissioning profile that is dependent on the network location (e.g. low system strength = longer commissioning), as this would better capture the actual ramp-up.

AGL would like AEMO to consider providing input into the Commercial Operation Date (**COD**) of committed projects. The COD of committed projects should reflect the most accurate estimates, not exclusively from a project proponents' perspective, but also from AEMO's connections team.

Network Model

AEMO is currently using a static network configuration to model the full-year MLF's, which means any network upgrades or new builds that occur halfway through the year are not captured. AGL considers this



will have material impact on the MLF calculations and suggests that upgrades and new builds be included as they occur.

Transparency and Reporting

AEMO's proposal to publish a preliminary MLF report in November 2020 is welcomed. Ideally, AGL would appreciate if the draft report could be published a month or two before March 2021 to allow more time for participants to review ahead of finalisation.

If you have any queries about this submission, please contact Shevy Moss-Feiglin on (02) 8633 7880 or smossfeiglin@agl.com.au.

Yours sincerely,

Chris Streets

Senior Manager, Wholesale Market Regulation