

17 November 2020

NEM Retail Procedure Consultations
Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001

Dear Sir/Madam

Re: Retail Procedures (Wholesale Demand Response).

TasNetworks welcomes the opportunity to respond to the Australian Energy Market Operators' (AEMO) Issues Paper – Retail Procedures Wholesale Demand Response.

TasNetworks, as the Distribution Network Service Provider (DNSP) in Tasmania, is focused on delivering safe, secure and reliable electricity network services, at the lowest sustainable cost, to Tasmanian and National Electricity Market (NEM) customers. TasNetworks is therefore appreciative of AEMO conducting a consultation on Retail Procedures (Wholesale Demand Response) (Procedures) and providing market participants with the opportunity to respond.

TasNetworks is mostly supportive of the proposed Procedures and does not have comments on the questions posed in the participant response template, but would like to comment on a specific issue.

While TasNetworks agrees that Demand Response Service Providers (DRSP) may benefit commercially from knowing about planned outages, it does not agree that Planned Interruption Notices (PIN) are the best way for that information to be provided.

The chief concern TasNetworks has with the use of PINs is that they would require a significant and costly change to its current IT systems. Though TasNetworks has not forecast the cost of such a system change, past experience indicates such a system change would not be possible with internal resources and would therefore be expensive to deliver.

TasNetworks also contends that such a costly change would only provide benefit to a small number of DRSPs and their customers, while the whole of the customer base would be required to pay for a system upgrade that would not benefit them.

TasNetworks would also suggest that, with the large number of IT systems changes already scheduled for the near future, the ability to introduce an additional system change in the timeframes required to meet the October 2021 start date for Wholesale Demand Response may not be achievable.

Given these concerns and noting that DNSPs are required to inform their customers of distributor planned outages under section 90 of the National Energy Retail Rules, TasNetworks would suggest that a less costly and more achievable approach would be for DRSPs to be

advised of planned outages by their customers. TasNetworks envisions that this could constitute part of the commercial arrangement between a DRSP and its customer.

Should you have any questions, please contact Nat Kent, Regulatory Analyst via email (Natalie.kent@tasnetworks.com.au) or by phone on 03) 6271 6493.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tim Astley', with a horizontal line extending to the right.

Tim Astley

Network Reform and Regulatory Compliance Team Leader.