

WDR issues paper: Baseline eligibility compliance and metrics policy

Commentary from Infigen Energy

3.2:

On the 20% WDR:

- 20% RRMSE threshold is relatively high, but it increases participation markedly. We accept the WDRM, but have the view that moving to a two-sided market would be preferred
- Infigen are questioning the bias inclusion arguments – bias is easily fixed by reducing the demand forecast. We would argue that the bias limit should be **zero** (i.e., the bias should always be ≤ 0 ; it should be the load's responsibility to take on that risk – if the bias is positive, they're getting paid for doing nothing. This could be further implemented through a make-good adjustment/offset to the bias over time – if there was a positive bias in period 1, then in period 2 all demand forecasts are reduced to try and drive the bias to zero or negative.
- It is our understanding that bias should be calculated on both "all" periods but *also* on "activated" periods – i.e., ensure that there's not a bias when they're actually being paid for DR (i.e., no gaming, selective offering, etc.). This is probably more AER than AEMO, but if there was a bias offset approach, it might need to be considered.

3.3-3.5

- This seems reasonable to Infigen Energy.

>50 Calendar days

- Infigen Energy feel that AEMO should develop clear procedures to assess variability and bias relative to the baseline on different timeslices, especially including non-activated and activated periods. Any statistically significant bias or especially variations between those timeslices would suggest that a more robust baseline is required. It is Infigen Energy's preference that AEMO should develop and consult on these frameworks ahead of time, to ensure that all participants have transparency about the market.

Information required by Infigen Energy

1. Infigen Energy would like to know if we have the ability as a retailer to request ad-hoc a baseline test if we believe it's inaccurate? How do we go about requesting this test? Will testing this baseline reconciliation be part of the industry testing? Infigen Energy feel that this is an area that hasn't really been explored with industry and for us to be prepared this is a critical element.
2. When will retailers be notified that one of their NMI's is being assessed for WDR eligibility? At what point is the retailer notified (before the assessment or once eligible)? What is the notification process?

It is Infigen Energy's preference that we are given the opportunity to prepare analysis to review our portfolio to enable us to provide effective feedback to AEMO when the AEMO review is done after the first summer of WDR. We also feel market consultation should be undertaken if changes are needed.