

Demand Side Participation Forecast Methodology and Information Guidelines consultations

Informal submission from Shell Energy provided via the Forecasting Reference Group

Hi Andrew,

In general, I'm reasonably supportive of what you have laid out in the consultation papers, and if you are happy to take it I can provide some informal feedback like I would do through the FRG meeting for you to consider as follows.

DSP Forecast Methodology.

- Vehicle to Grid and VPP response – Note and agree with the decision to include as a supply side forecast but suggest this be explicitly shown as such somewhere in the supply side forecast so that these are transparent.
- Three Year Historical Time Series – May underestimate DSP where we have 3 years of lower demand and/or pricing outcomes. Agree there would be changes in consumer decisions over a longer time period, however, where larger loads, > 5MW have exhibited previous demand response activity but AEMO considers some uncertainty exists as to likely future behavior then asking the load via a survey would be the better answer as opposed to an alternative of not counting them as DSP at all.
- 50th Percentile – Whilst appropriate for the market/priced based trigger events, question if appropriate for reliability based events particularly where repeated responsive behavior has been observed by specific NMI's. If repeated specific behavior by a specific NMI(s) during a reliability or high priced (>\$7,500) event has been observed it should be included even if this would equate to greater than 50th percentile response overall. The value used in the modelling would equate to the specific repeated behavior NMI's + 50th percentile of the remaining NMI's. On the accuracy reporting of reliability response there should be alignment between what is indicated in the FAR and the RERT reports as far as non-RERT DSP is concerned.
- Duration of DSP – The suggestion of 2 hours based on the forecast duration of a reliability event is OK initially, but the methodology should also set out how reliability event duration will be monitored and the value adjusted if required.
- Committed DSP – Question the requirement for this to need to be an RRO nominated contract when advised through the DSP IP process. Should only need to be verification through the DSP IP that DSP associated with a specific NMI is too increase or will be occurring.
- DSP in long term studies. Very challenging to get a good methodology. When considering what is occurring overseas should look to NEM style energy only markets and exclude any capacity contracting markets where DSP is allocated capacity credits.

DSP Information Portal

- Time period for taking submissions – Agree should be extended. Could consider first fortnight in each calendar quarter or first week in each month. Allow on the portal for the entry to be indicated as NEW DSP or REVISED DSP information.
- Duration of DSP activation – question should relate to in any nominated period and allow for entry as a day or a week. Agree this would be a really good question to ask in the DSP IP.
- Declaration of future DSP – Make sure this is to be based on a participant currently known information rather than set in stone. Agree inclusion of a confidence percentage would add value.
- Increase/decrease of demand – Implement separate entry areas instead of just the one.
- Quality of submissions – Undertake initially quarterly education forums/webinars and later look to see if this can be scaled back. AEMO should note unfortunately there can be staff changes in data entry staff over time.

Kind Regards

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