



Monday, 16 December 2024

Ben Blake AEMO

Sent via email to: <u>ben.blake@aemo.com.au</u>

Dear Mr Blake

CEC submission on rules consultation procedure for 2024 CIR guidelines review

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia, representing nearly 1,000 of the leading businesses operating in renewable energy, energy storage, and renewable hydrogen. The CEC is committed to accelerating the decarbonisation of Australia's energy system as rapidly as possible while maintaining a secure and reliable supply of electricity for customers.

Background

AEMO has begun consultation on the Congestion Information Resource (**CIR**) guidelines. A review of the CIR guidelines has not occurred since <u>2021</u>. We note that formal stakeholder consultation on the CIR guidelines is meant to occur at least every 3 years but may occur more frequently to improve the implementation of the CIR *objective*: Section 4 of the CIR guidelines implementing 3.7A(d) and (e) of the NER.

AEMO is seeking views on its <u>consultation paper</u> dated 2 December 2024 which outlines its proposal to follow an expedited rules consultation procedure in relation to its <u>proposed</u> <u>amendments</u> to the CIR guidelines. CEC welcomes the opportunity to provide feedback on whether an expedited or standard rules consultation procedure should be followed.

Reasons for using the standard rules consultation procedure

One of the changes the AEMO is proposing make to the CIR guidelines is to publish a Network Outage Statistics Report using Network Outage Scheduler (**NOS**) data. We support AEMO's proposal to publish a Network Outage Statistics Report and agree that this particular amendment *on its own* is non material for the reasons given by AEMO in its expedited consultation paper.

However, we consider that AEMO should be using the *standard rules consultation procedure* for the following reasons:

 We consider that that the consultation on the CIR guidelines which is to occur every 3 years should be more extensive and should use the *standard rules consultation procedure* under 8.9.2 of the NER. This is to provide adequate opportunity for stakeholders to propose further changes to the CIR guidelines to improve the implementation of the CIR objective.

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- As outlined below, CEC plans to make a submission to this consultation (due 22 January 2025) proposing amendments to the CIR guidelines, which may be considered either material or which warrant consultation from all stakeholders under the longer timeframes in the *standard rules consultation procedure*.
- AEMO can consult more broadly, for example, with:
 - the AER the data in the CIR guidelines is relevant to both the Market Impact Component and Network Capability Component of the Service Target Performance Incentive Scheme which is currently being reviewed by the AER
 - other parts of AEMO the data in the CIR guidelines may be relevant to improving the Enhanced Locational Information Reports, as recommended by the AEMC in its <u>Final Report on Transmission Access Reform</u>.

CEC's proposals to amend the CIR guidelines

We are still developing the detail of our submission on the 2024 CIR guidelines consultation (due 22 January 2025). However, at a high level, we will be proposing in our submission that:

• high impact outages be expanded to include a quantitative measure

Planned network outages classified as having high impact in Section 3.2.2 of the CIR guidelines should be expanded to include a quantitative measure – we will provide recommendations as to this quantitative measure in our Jan 22 submission after further consultation with our members.

We consider that this amendment is necessary as the data and tables published by AEMO in the <u>2023 Annual Constraints Report</u> reveals that over 80 per cent of planned network outages are inputted into the NOS less than 3 months before starting. This does not give AEMO and participants adequate time to minimise market impacts of planned outages.

As part of the AER's <u>review</u> of the Market Impact Component (**MIC**) of the Service Target Performance Incentive Scheme, we recently recommended at a <u>public forum</u> on 10 December 2024 that the MIC be replaced (at least in part) with a scheme which will incentivise TNSPs to give at least 4 months' notice of planned outages in the NOS through rewards and penalties. We will refine our recommendations after further member consultation in our submission to the AER due 3 February 2025. Following the standard rules consultation procedure will allow consideration to be given as to aligning Section 3.2.2 CIR guidelines with any proposed amended MIC (assuming the AER chooses to adopt an incentive scheme similar to the one proposed by the CEC at that forum).

• guidance is needed in the CIR guidelines on reasons to be given when updating information on planned outages in the NOS

This is needed to ensure that there is sufficient detail to determine if Transmission Network Service Providers are complying with 3.7A(p) of the NER.

• CIR development remains an agenda item to be considered by an appropriate forum at least once a year

AEMO is proposing as part of this consultation to amend the CIR guidelines to remove the requirement to include CIR development as an agenda item for NEM Wholesale Consultative Forum. CEC considers that this obligation should be kept although CIR development may be considered by a different forum.

Recommendation

We recommend AEMO switches the *expedited rules consultation procedure* to follow the *standard rules consultation procedure* in accordance with 3.7A(e) or (f) of the NER to permit a more extensive consultation on a broader range of issues than those outlined in AEMO's expedited consultation paper dated 2 December 2024.

As always, the CEC welcomes further engagement from AEMO on the 2024 consultation on the CIR guidelines. Further queries can be directed to Diane Staats on <u>dstaats@cleanenergycouncil.org.au</u>.

Kind regards

Christiaan Zuur Director, Market, Investment and Grid