

# ENHANCING INFORMATION ON GENERATOR AVAILABILITY IN MT PASA

## Consultation starts on proposal to publish more detailed information on generator availability

The AEMC has published a consultation paper asking for stakeholder feedback on a rule change request from AEMO that seeks to collect and publish enhanced information on generator availability. The information would form part of the medium term projected assessment of system adequacy (MT PASA) process, to support security and reliability as the power system transitions.

#### The rule change request

The rule change request, submitted by the Australian Energy Market Operator (AEMO) on 15 December 2021, notes that the rapid transition of the National Electricity Market's (NEM) generation fleet to a lower-emissions generation profile will drive changes to plant operating regimes. This includes mothballing of units for prolonged periods of time, seasonal shut-downs, or cyclical running regimes. This trend is particularly relevant in ageing thermal generation and may bring challenges in maintaining system security and reliability.

The request states that in the context of this transition, the lack of information about when generators are available to supply, and the lead time required for recall from an outage, make it challenging for:

- AEMO to effectively plan and operate the system
- participants to coordinate maintenance schedules
- the Australian Energy Regulator (AER) to assess compliance under the current notice of closure arrangements
- investors to assess opportunities for replacement plant.

The solution proposed in the rule change request is to require generators to report, and AEMO to publish, a generating unit's status through reason codes and recall times in the MT PASA. MT PASA is a key part of the reliability framework in the NEM. It is one component of the information that AEMO must publish to inform the market of prevailing and forecast conditions, and when reserves may be running low, to elicit a market response.

Under the current process, AEMO collects some information from generators about their availability 36 months ahead. In its rule change request AEMO notes that by improving the granularity and transparency of information relating to generation availability, market participants, market bodies and jurisdictions can ensure the right mix of resources are made available when they are needed most, in a manner that provides for flexibility, automation and transparency in approach while minimising the regulatory burden.

### Links to ESB post 2025 reforms

This rule change request actions ESBs *managing early exits* recommendation, specifically recommendation 1(a)(ii) from the post 2025 reform package which seeks to enhance existing generator exit mechanisms to provide greater transparency of generator availability.

In agreeing to the ESB's recommendation, Energy Ministers noted that AEMO should notify jurisdictions if a change in generator availability results in a breach of that jurisdiction's adopted reliability standard. The rule change request notes that this aligns with AEMO's current obligations under the NER to publish an updated reliability forecast (in

AUSTRALIAN ENERGY MARKET COMMISSION LEVEL 15, 60 CASTLEREAGH STREET SYDNEY NSW 2000 T: 02 8296 7800 E: AEMC@AEMC.GOV.AU W: WWW.AEMC.GOV.AU an ESOO update) should a material change occur. It is also worth noting that AEMO is in regular discussions with jurisdictions on a range of matters including ongoing reliability and security issues. Therefore, the rule change request does not propose further formal reporting obligations to be drafted into the NER at this time. AEMO is in discussions with relevant jurisdictions to adopt any process changes by which any material changes to reliability are communicated to relevant jurisdictions.

Energy Ministers also noted that the rule change request should be developed in collaboration with Energy Senior Officials which has occurred.

#### Next steps

The consultation paper sets out a range of questions for the purpose of seeking stakeholder feedback, including questions on:

- the proposed framework to assess whether the rule request, or any alternatives, meet the National electricity objective (NEO)
- whether collecting and publishing additional information through MT PASA will address the issues raised by AEMO
- what benefits and costs stakeholders expect to see from the proposed rule change. Submissions to the consultation paper are open until **3 March 2022**.

For information contact: Senior Adviser, **Jessie Foran** (02) 8296 7864 Director, **Kate Degen** (02) 8296 7812

Media enquiries: media@aemc.gov.au 3 February 2022