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Level 15, 357 Collins Street  
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John Pierce  
Australian Energy Market Commission  
PO Box A2449  
Sydney South, New South Wales 1235

Project number: EPR0060

Dear Mr Pierce

### **Reliability Frameworks Review Directions Paper**

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group) are pleased to provide comments to the AEMC in relation to the AEMC's Reliability Frameworks Review Directions Paper (the Directions Paper).

As you are aware, MEA Group is the owner and operator of the Mt Mercer and Mt Millar Wind Farms as well as Powershop Australia, an innovative retailer committed to providing lower prices for customers, which recognizes the benefits for customers of a transition to a more renewable-based and distributed energy system. MEA Group is an active investor in the NEM, having recently purchased the Hume, Burrinjuck and Keepit hydro power stations, as well as entering into long term power purchase agreements for the Kiamal Solar Farm stage 1, the Crudine Ridge Wind Farm and the Salt Creek Wind Farm.

In response to the Commission's Directions Paper, MEA Group would like to make the following comments.

#### Forecasting and information provision

As previously submitted, MEA Group considers that all market participants have an interest in working together and with AEMO to improve the short term forecasts of all generators within the NEM. As forecasts come to play a larger and more significant element in ensuring the system remains reliable and that there are sufficient resources available to address reliability challenges, it is critical that every opportunity to enhance the accuracy of forecasts within reasonable cost and practicability constraints are adopted. We support the continued focus on accuracy and encourage AEMO and the industry to continue to assess past performance and share opportunities for improvement.

As intermittent generation becomes more significant in the NEM opportunities to enhance forecasting of availability of such generation should be encouraged. We support the current AEMO/ARENA trial of intermittent generation submitting their own forecasts for ASEFS and AWEFS. We believe that the market would benefit most if all intermittent generators had the option (and not the obligation) to submit data to these systems. MEA Group is working closely with the Melbourne Energy Institute to identify alternative forecasting solutions for its semi-scheduled and non-scheduled generating assets across the NEM all of which are designed to provide AEMO with an improved forecast comparable to that of AWEFS.

### Wholesale demand response

MEA Group strongly supports the use of demand response and is an active participant in this market. We believe that there are no significant barriers to development in this space and would encourage the AEMC to ensure that any further developments designed to encourage demand response do not have the opposite effect of discouraging the very significant retail innovation already underway by both large and small players.

### Strategic reserves

MEA Group believes that a safety net measure is required to ensure that AEMO has the necessary resources to meet reliability requirements at times of extreme demand. Such measures must be closely integrated into the reliability framework including the Reliability Standard. As previously submitted, MEA Group reminds the AEMC that such issues must be carefully assessed against the impact on customers, including affordability.

### Day-ahead markets

MEA Group reiterates that caution should be exercised when considering radical departures from the current NEM design. We do support the AEMC continuing to seek to identify the benefits sought from the adoption of ahead markets and seeking to include those benefits through targeted development of the existing market rather than making wholesale changes.

If you have any further questions please feel free to contact me.

Yours sincerely



Ed McManus  
Chief Executive Officer  
Meridian Energy Australia Pty Ltd