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Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Submitted online: [www.aemc.com.au](http://www.aemc.com.au)

## **ERC0270: Improving Transparency and Extending Duration of MTPASA**

Delta Electricity welcomes the opportunity to contribute to the AEMC's deliberations on Improving Transparency and Extending Duration of MTPASA. Delta owns and operates the 1320MW Vales Point power station in NSW and has a retail licence to sell electricity to large customers. Delta has operated coal and gas fired generating plant in the National Electricity Market (NEM) since its start in 1998 and is an active participant in both the electricity and gas trading markets.

### General Comments

Delta supports the proposed rule change from ERM Power. The changes proposed will enhance the quality of information available to market participants and stakeholders more broadly. By providing a more complete set of forecast data in a more-timely fashion, AEMO will help enhance the planning and operational processes of market participants which will result in more efficient market outcomes. Extending the outlook period and incorporating additional supply-side information will help complete the picture for participants planning for their obligations under the Retailer Reliability Obligation. In addition, the proposed rule changes build on existing AEMO processes and systems and are therefore unlikely to be costly to implement. This is true for both for AEMO and market participants.

### Question 1: Assessment framework

The assessment framework is appropriate for the proposed rule change. Delta notes that the proposed changes are positive in each of the identified assessment areas. That is, the proposed rule:

- will greatly improve transparency around the MTPASA process and will provide benefits to quality of information if fully implemented;
- will improve reliability outcomes as a result of incorporation of the above benefits within operational the planning processes of NEM participants;
- is unlikely to require substantial costs for participants or AEMO due to the changes primarily building on existing systems; and
- will improve regulatory certainty by further cementing the MTPASA process as a key planning tool.

### Question 2: Publication of Aggregate Generator Availability Data

Delta supports the rationale behind making DUID level data available to the market. Risks around commercial in confidence information being made available are limited in Delta's view. The proposed solution is appropriate given its likely very limited cost.



### Question 3: Accuracy and Transparency of Demand Forecasts Used

Delta supports the inclusion of a 90% POE demand forecast in the MTPASA to provide stakeholders with a clearer view of the range of potential demand outcomes. This will help stakeholders better understand the risks to reliability and enable more efficient planning. Costs are expected to be minor due to the 90% POE forecast already being a standard part of AEMO's forecasting methodology and processes.

### Question 4: Frequency of demand forecast update

Delta fully supports the proposal for AEMO to update demand forecasts more regularly. This will ensure that reliability information provided by AEMO is as accurate as possible due to the forecasts taking into account the most recent data available. Monthly updating would enable AEMO to capture variations to the seasonal weather outlook which are often updated monthly by providers. The additional cost is expected to be very low on an ongoing basis as processes can be automated.

### Question 5: Transparency and ease of use of demand data

Delta views the lack of consistency between MTPASA data and actual reported demand data as a substantial source of confusion in the market. Resolving this issue should be a priority for AEMO and Delta supports the changes in this rule change proposal. Forecasts that are easily reconcilable with actual outcomes are fundamental to confidence in the market planning processes.

### Question 6: Transparency of forced outage rates

Delta agrees with the proponent that the lack of transparency is an issue. Specifically, it gives the impression that forecast supply outcome is deterministic rather than probabilistic. Providing a range of outcomes would enable stakeholders to better understand the range of likely reliability outcomes and facilitate more efficient planning decisions.

### Question 7: Inclusion of intending generation in MT PASA output

Delta supports the proposal for greater alignment between the ESOO process and the MTPASA process. The solution provided in this rule change proposal builds on an existing AEMO process that is well understood by participants and therefore appears to be the most reasonable solution to the problem identified.

### Question 8: MT PASA outlook

Delta supports the extension of the MTPASA from two to three years and supports the rationale identified by the rule change proponent. Additional information in the two to three year forward horizon could provide greater confidence to hedge in that period which could in turn encourage greater market liquidity.



Delta expects very little change to existing its business processes to accommodate this change in the MTPASA duration and therefore anticipates a minor cost impact. As the rule change proponent identifies, this is very likely to be the case for all market participants.

To discuss this submission please contact Peter Wormald on (02) 4352 6425.

Sincerely,

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