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15 August 2019

Mr Joel Aulbury
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Mr Aulbury

ERC0270 National Electricity Amendment (Improving Transparency and Extending Duration of MT PASA) Rule 2019

Ergon Energy Queensland (Ergon Energy Retail) welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC), on its consultation on the *National Electricity Amendment (Improving Transparency and Extending Duration of MT PASA) Rule 2019 – Consultation Paper* (Consultation Paper).

Ergon Energy Retail broadly supports the proposed assessment framework to improve the transparency and quality of information, promote reliability and confidence in forecasting processes, at a minimal cost. In particular, we support the approach proposed by ERM to require the Australian Energy Market Operator (AEMO) to review its demand forecasts on a more regular basis and believe that monthly provision is reasonable. However, we acknowledge there may be some challenges in accounting for inputs such as weather, and that simply increasing the frequency of the demand forecast with new weather may not provide any improvement in the forecasts if the frequency does not align with the 'forecastability' of the input variables (i.e. weather). For example, weather forecasts may be accurate to 8-10 days and then declining to a seasonal trend, but increasing the demand forecasts to this frequency would not be reasonable. As such, while monthly reporting may not provide the most accurate forecast, it will improve the short-term forecast compared to an annual basis.

Furthermore, we also support ERM's proposal to publish individual dispatchable unit identification (DUID) level medium term projected assessment of system adequacy (MT PASA) outages, and for AEMO to provide the adjusted minimum and maximum aggregate scheduled generation availability. Disaggregation of AEMO MT PASA data to the DUID level currently takes several hundreds of hours of analysis every year and is a considerable drain on resources for smaller firms. Failure to publish this data results in a lack of transparency of reliability data provision from AEMO to smaller firms, especially stand-alone retailers that are responsible for implementing the Retailer Reliability Obligation.

Finally, Ergon Energy Retail supports the extension of MT PASA duration from two to three years.

Should you require additional information or wish to discuss any aspect of this submission, please contact either myself on (07) 3851 6787 or Barbara Neil on (07) 4432 8464.

Yours sincerely

A handwritten signature in cursive script that reads "Trudy Fraser".

Trudy Fraser
Manager Policy and Regulatory Reform

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