

12 September 2019

Thomas Lozanov
Project Leader
Australian Energy Market Commission

Submitted via website: www.aemc.gov.au/contact-us/lodge-submission

Dear Mr Lozanov

Transparency of new projects (ERC0257)

Thank you for the opportunity to respond to the Transparency of New Projects draft rule determination.

Stanwell supports the more preferable rule in the draft rule determination, as well as the staged implementation timeline.

Stanwell suggests that additional minor alterations to the proposed rule would further improve the proposed new project transparency measures.

1) Information from connection enquiries passed to AEMO for publication

The draft rule determination states that *“the existing NER already requires a connection applicant to inform NSPs of material changes to information contained in a connection application (clause 5.3.8(e) of the NER) and the draft rule introduces a similar requirement in respect of connection enquiries as well as requiring TNSPs to pass on that updated information to AEMO”*¹.

Stanwell suggests that project information from connection enquiries and connection applications passed to the Australian Energy Market Operator (AEMO) for publication be tagged according to source, in an additional field in the “Existing Generation and New Development” data table on the Generation Information Page. This could be similar to the manner in which potential projects’ commitment status is currently flagged. This would give Generation Information Page users the choice of including or excluding projects at the (potentially speculative) connection enquiry stage from their analysis.

¹ AEMC, Draft rule determination, page 36

2) Definition of “material change”

Stanwell suggests that participants will require prescriptive guidance on what magnitude of change to a project during development will be considered material with respect to updating the TNSPs to ensure the transparency benefit is realised. While the Commission “*envisages AEMO’s new guidelines would include guidance on the threshold for material changes to projects*”², Stanwell suggests it would be preferable for guidance on “material change” to be in the Rules.

Of the six fields that TNSPs will provide to AEMO for publication, of particular concern to users of the Generation Information Page is generation capacity. Examination of previous editions of the Generation Information Page shows marked changes in the expected capacity of some projects between public announcement and commissioning, typically lower. Overstatement of potential projects’ capacity may be utilised to dissuade other projects from locating nearby, especially given there is no penalty for overstating the expected size of a project.

In order to ensure stakeholders are informed about changes in the expected capacity of potential projects, Stanwell suggests a definition of “material change” in expected capacity be defined. This could be in terms of the lesser of a per cent change or megawatt change.

3) Format of information publication

The draft rules state:

*“3.7F Generator information page
Content of generator information page
(c) AEMO must:
(1) publish the information contained on the generator information page
separately for each region.”*³

Stanwell suggests that this wording be amended to reflect one of the improvements to the Generation Information Page AEMO has already implemented; collating the information for existing and new projects for all NEM regions into the “Existing Generation and New Development” data table. The information is considerably more useful in its new format, and participants wanting information on a specific region/s can filter the data table by region.

Any change to the Rules that compels AEMO to revert to publishing the information “separately for each region” would be to the detriment of the current Generation Information Page and its users.

² AEMC, Draft rule determination, page 40

³ AEMC, Draft rules, page 5

AEMO's Generation Information Page

Stanwell commends the changes AEMO has made to the structure of the information contained on the Generation Information Page. Stanwell regularly uses this information for supply, constraint and marginal loss factor forecasting.

The merging of the 5 individual regional data files into 1 consolidated data file, coupled with the merging of the existing scheduled and semi-scheduled generation, existing non-scheduled generation and new developments into one data table, has facilitated data analysis.

Stanwell particularly appreciates the "Survey Id" field, which enables participants to track projects between publications without having to cross-reference the "Existing Generation and New Developments" data table with the "Change Log" and "Site name changes" data labels.

Stanwell looks forward to the breadth and quality of information on new projects further improving once the rule changes in the final rule determination are implemented.

Other initiatives to improve transparency

To further increase the transparency of locational information for new projects, Stanwell suggested in its Coordination of Generation and Transmission Investment (COGATI) directions paper submission that:

"The directions paper acknowledges there is currently a range of locational signals for the NEM, both published (transmission losses, congestion and interregional price variations) and unpublished (NEM dispatch engine process), but these locational signals are "incomplete and imprecise".

Stanwell contends that improving the scope and accuracy of currently available locational signals and publishing currently unavailable locational signals would go a long way to address concerns about the locational decisions being made by new project proponents"⁴

Better transparency of these locational signals would complement the improved information about potential projects this rule change will deliver.

⁴ Stanwell Corporation, Response to AEMC COGATI directions paper, page 8



Stanwell welcomes the opportunity to further discuss this submission. Please contact Evan Jones on (07) 3228 4536.

Yours sincerely

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