

11 October 2019

Mr John Pierce AO
Chair
Australian Energy Market Commission
Sydney

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Submitted online: AEMC reference - ERC0257

Dear Mr Pierce

Supplementary submission to the Transparency of new generation projects rule change

The Australian Energy Market Operator (AEMO) provided a submission in response to the Australian Energy Market Commission's (AEMC) Draft Determination in the above rule change on 12 September, 2019. On 8 October, 2019, a discussion occurred between officers of AEMO and the AEMC. Following that meeting, AEMO is providing this supplementary submission, which contains further information about issues that were discussed.

The provision of Key Connection Information (KCI) under the Draft Rule will not replace AEMO's Generator Survey

There are material differences between the KCI that will be provided to AEMO by Transmission Network Service Providers (TNSPs) under the AEMC's Draft Determination and the data contained in AEMO's Generator Survey. Whereas the proposed KCI contains only six items of information, AEMO's Generator Survey contains approximately 90 information items.

AEMO wishes to highlight the differences between the proposed KCI and AEMO's current data in tracking a generation development's progress towards Committed Project status.

KCI

The existence of KCI indicates that a project has progressed to a connection enquiry or application stage.

The KCI only captures the forecast completion date of the connection (that is energisation).

AEMO's Generator Survey

AEMO currently collects information under five separate project commitment criteria. These are: site (access to land), major components, planning and approvals, finance and dates for construction and full commercial use.

There can potentially be up to 18 months between the energisation of a new generator's connection to the network and the completion of all testing required for full production.

Accordingly, the provision of KCI under the new rule will not be sufficient for AEMO to fulfil our planning and forecasting functions under the National Electricity Rules, including in relation to public provision of information. AEMO will, therefore, continue to collect information through the Generator Survey.

Timeline for first publication of KCI on the Gen Info page

AEMO understands that the AEMC is considering how to bring forward the first publication of KCI on the Gen Info Page, in response to submissions from stakeholders. The Draft Determination requires the newly-codified Gen Info Page to be in place, including publication of KCI, by February 27, 2020. Having considered the matter carefully, AEMO submits that the earliest possible publication of KCI is the end of January 2020.

Importantly, AEMO notes that for the first KCI publication, in early 2020, it will be made available as an unreconciled data set separate from the published Gen Info data set. This is because it will not be possible for AEMO to develop systems to reconcile the Gen Info data to KCI in such a short time frame. From April 2020 onwards, AEMO's current intention is for KCI to be fully reconciled with the existing Gen Info Page data set.

AEMO would also like to clarify the scope of quarterly updates under clause 3.7F (c) (2). AEMO is proposing that this covers the key connection information being published quarterly, but that the full Gen Info page update would continue to be conducted annually in line with the ESOO publication.

Reconciling KCI and Gen Info Page data file

There are significant logistical and technical processes that AEMO must work through in order to accurately (and in future, automatically and efficiently) reconcile KCI with the Generator Survey data that is published on the Gen Info Page. Clearly it would be highly undesirable for AEMO to present conflicting and potentially misleading data.

Connection point matching to the generation project

The first step of reconciliation of KCI records with Generator Survey data is matching each connection enquiry/application to the relevant generation project. The current KCI proposed question "site location" denotes the physical location of a project connection to the grid. Whilst the Generator Survey asks for a generation project's latitude/longitude, AEMO cannot necessarily publish this information due to confidentiality, hence we cannot automatically match the KCI data based on connection point location. Furthermore, connection point location in the KCI may or may not be geographically "close" to the latitude/longitude of the generating system.

Data field definitions

An example of data field definition complexity is the difference between "forecast completion of the proposed connection" (KCI) and "full commercial use date" (Generator Survey). As noted

above, there can easily be delays of more than a year between the completion of a connection to the grid and the connected plant reaching maximum ongoing output.

Data sourcing and currency

While a project proponent would ultimately be the source of all information, it is common that different entities representing the proponent communicate with the TNSP and AEMO, and do so at different times. This can occur because an external consultant has been engaged to manage a connection enquiry process, versus managing engagement with AEMO's Generator Survey. AEMO anticipates this could lead to data mismatches in terms of comparable values and/or the time of submission to AEMO.

Generation Information Guidelines

To facilitate the publication of KCI in January 2020, AEMO will publish interim Generation Information Guidelines in December 2019, without running a formal consultation process, as discussed with the AEMC. The interim guideline would specify the manner, timing and form in which TNSPs provide KCI to AEMO, as well as examples of the components of KCI. AEMO would then undertake formal consultation as part of publishing the final guideline by the end of June 2020. This allows for the full Rules consultation process to be followed.

The components of KCI

Under the Draft Determination, the Guideline currently only establishes the manner, timing and form in which KCI data will be provided to AEMO. AEMO has conveyed to the AEMC, and reaffirms here, our preference that the KCI data be clarified with examples in the Guideline as well. This could be included as a fourth clause in proposed rule 3.7F clause (d).

In order to facilitate KCI component definition in the Rules but enabling the precise definition of KCI data in the Guidelines, AEMO proposes that Chapter 10's definition of key connection information should include the following:

"The following criteria in respect of a proposed connection, or modification of an existing connection, for plant¹ to the national grid:

- a) the precise project proponent (that is, the source of the KCI) making a connection enquiry/application, including an ACN or ABN;
- b) the (preferred) location(s) of the plant;
- c) the technical characteristics of the plant to be connected in terms of energy source, energy storage/conversion technology and electrical generation technology;
- d) the maximum power generation characteristics of the plant; and
- e) target completion period (earliest and latest date) of the proposed connection."

¹ usage of *plant* here should pertain to the definition in Chapter 10, sub-sections (a) and (c), i.e. in relation to both the connection point and the statement of opportunities.

AEMO appreciates the opportunity to engage productively with the AEMC on the issues we have raised as part of this rule change process, and to provide this supplementary submission. If you would like to discuss anything related to this matter further, please contact Kevin Ly, Group Manager - Regulation, on kevin.ly@aemo.com.au.

Yours sincerely



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