



Enhancing information on generator availability in MT PASA rule change – ERC0338

Submission via AEMC website

4 March 2022

AGL Response to AEMC Enhancing information on generator availability in MT PASA rule change consultation paper

AGL Energy (AGL) welcomes the opportunity to comment on the AEMC Enhancing information on generator availability in MT PASA rule change consultation paper (**Consultation paper**).

AGL is one of Australia's largest integrated energy companies and the largest ASX listed owner, operator, and developer of renewable generation. AGL is also a significant retailer of energy and telecommunications, providing solutions to around 4.2 million across Australia.

The proposed rule aims to improve information about generator availability. These improvements are purportedly necessary to improve market investment signals and facilitate more efficient system operation. The rule change proposes to require generators to report, and AEMO to publish, a generating unit's status through reason codes and recall times in the MT PASA.

We broadly support improvements to generator transparency, particularly when this information can facilitate efficient market outcomes. Including this reporting requirement in the MT PASA framework will improve market transparency of generator availability. Whilst we support this objective, there are challenges in including this generator recall times in the MT PASA reporting framework. These issues are outlined below.

Firstly, MT PASA places a rigorous disclosure obligation such that the information must be a *Scheduled Generator's or Market Participant's current intentions and best estimates*. This information requirement may present difficulties when estimating generator recall times, particularly during an outage. In many cases the assessment of generator recall times will require a resource intensive engineering assessment during the outage. Depending on the status of the works, the recall time could change multiple times. The frequency and marginal adjustments of the recall information may have minimal benefit to the market but present significant costs to the generator.

Secondly, the recall time will be subject to the generators willingness to commit resources to returning the unit to service. The willingness to commit resources will be influenced by a number of factors including the commercial settings of the company and forecast market outcomes. For example, a key resourcing constraint is the level of human capital invested in returning the unit to service. An initial recall time for a unit could be significantly shortened if additional personnel and resources are attained at short notice. Of course, similar examples include expediting access to necessary parts or fuel.

The issue this poses is that the recall times are subject to commercial considerations that will be unique to each generator. In turn this will mean the calculation of recall times will be inconsistent between generators and subject to change. The issue could be in part resolved if the recall time is based on a scenario of no limit of commercial resources. However, whilst this may be useful for AEMO in the context of assessing least cost options for issuing directions, this extreme scenario may be of limited value to market participants or potential new entrants.



We consider the proposed rule does not improve AEMO's access to generator availability information. AEMO must have continuous access to information regarding generator operational availability to effectively manage the power system. Under chapter 4 and 5 of the Rules, there is a detailed framework of disclosure obligations to ensure AEMO has access to this information. This includes broad obligations for scheduled generators to disclose changes to operational availability, such as cl 4.9.9.

In the case of a 'mothballed' generator unit, AEMO requires disclosure of the expected recall time. Should AEMO consider the unit has operational importance and a variation in the recall time would have a material impact on the technical envelope, AEMO will seek more detailed information. In the case of planned and unplanned outages, AEMO will also have detailed information regarding GPS compliance, the planned works, the schedule of works, and the return to service and testing plan (if required).

With this in mind, the proposed rule does not improve AEMO's access to generator availability information. The information is already available to AEMO outside the MT PASA reporting requirements. When considering the benefit of this proposed rule, we do not consider there is any material improvement in AEMO system operations capabilities.

If you have any queries about this submission, please contact Kyle Auret on (03) 8633 6854 or KAuret@agl.com.au.

Yours sincerely,

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