



Your ref: ERC0338

7 July 2022

Jessie Foran
Australian Energy Market Commission
Submitted online via: www.aemc.gov.au

Dear Ms Foran

Submission: Enhancing information on generator availability in MT PASA

CS Energy welcomes the opportunity to provide a submission to the Australian Energy Market Commission's (**AEMC's**) *Draft Rule Determination – Enhancing Information on Generator Availability in MT PASA (Draft Determination)*.

About CS Energy

CS Energy is a Queensland energy company that generates and sells electricity in the National Electricity Market (**NEM**). CS Energy owns and operates the Kogan Creek and Callide B coal-fired power stations and has a 50% share in the Callide C station (which it also operates). CS Energy sells electricity into the NEM from these power stations, as well as electricity generated by other power stations that CS Energy holds the trading rights to.

CS Energy also operates a retail business, offering retail contracts to large commercial and industrial users in Queensland, and is part of the South-East Queensland retail market through our joint venture with Alinta Energy.

CS Energy is 100 percent owned by the Queensland government.

Key recommendations

The NEM is changing and will continue to do so as it transitions to a market with more variable renewable energy (**VRE**) and an overall lower carbon footprint. The ability to effectively and efficiently manage power system security and reliability against this evolving landscape is paramount, and CS Energy supports the need to develop flexible and adaptive market and regulatory frameworks to ensure market participants and the Australian Energy Market Operator (**AEMO**) have the information they require.

CS Energy appreciates that the recent market environment may have benefited from further information on whether constraints on energy availability were based on underlying physical

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or financial drivers. Longer term physical or financial constraints can be captured in the Medium-Term Projected Assessment of System Adequacy (**MT PASA**) in the form of reason codes and recall codes, however, there will be shorter term economic constraints that are unlikely to be captured in MT PASA.

CS Energy agrees with the AEMC's direction that AEMO minimise the number of codes and does not consider that a minimal number of codes will undermine the intent of the Rule Change to differentiate between physical or economic outages. A small number of codes will also minimise implementation costs.


CS Energy agrees that recall times should not be required for all unit states with the draft rule providing AEMO with the discretion to determine which unit states would be required to specify a recall time in the Reliability Standard Implementation Guidelines (**RSIG**). The ability to specify an accurate recall time depends intrinsically on the nature of the outage. It would be useful for the final rule to clarify that recall times should only be applicable to outages that have non-zero PASA availability and thus can be responsive to market changes and requirements.

The AEMC has acknowledged the level of duplication with other processes and provides the recommendation to AEMO to explore potential streamlining options. Given the regulatory and administrative burden these processes place on participants, CS Energy suggests the final rule formalise the need for this streamlining to occur.

CS Energy notes that the AEMC has decided not to pursue Shell Energy's proposal to extend the reliability assessment of the MT PASA and encourages it to reconsider. Industry relies on the reliability assessment to make operational decisions which may influence availability. Extending the reliability assessment would provide generators with a greater level of information which in turn would enhance the information provided to AEMO via the MT PASA and strengthen investment signals. CS Energy considers this rule change as an opportunity for the AEMC to holistically consider how the MT PASA information can be improved.

If you would like to discuss this submission, please contact me on 0407 548 627 or ademaria@csenergy.com.au.

Yours sincerely



Dr Alison Demaria
Head of Policy and Regulation (Acting)