



24 May 2013

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Via www.aemc.gov.au

Dear Mr Pierce,

National Electricity Amendment (Publication of zone substation data) Rule 2013

Alinta Energy welcomes the opportunity to make a submission in response to the Australian Energy Market Commission's (AEMC) consultation paper: *National Electricity Amendment (Publication of zone substation data) Rule 2013*, following the rule proposal submitted by the National Generators Forum (NGF).

Alinta Energy is an active investor in the energy retail, wholesale and generation markets across Australia. Alinta Energy has over 2500MW of generation facilities in Australia (and New Zealand), and a growing customer base of approximately 700,000 retail customers.

Alinta Energy actively draws upon National Electricity Market (NEM) demand forecasts and therefore appreciates the work of the NGF and AEMC in reviewing opportunities in this area.

Alinta Energy supports the proposed publication of zone substation data

Alinta Energy notes the proposed rule change aims to facilitate consistent and accurate demand forecasts by requesting that Distribution Network Service Providers (DNSP's) publish half-hourly load data for individual substations on an annual basis and if available; for the preceding decade.

Alinta Energy endorses the NGF's view that the rule change proposal will better meet the needs of market participants and stakeholders by encouraging improved and efficient demand analysis within the NEM thereby satisfying the National Electricity Objective.

Improving forecast modelling

AEMO demand forecasts play a key role in influencing planning decisions and are widely used in market publications and regulatory discussions. As such, forecast corrections and year to year revisions can undermine market confidence and has implications on timely and efficient investment decisions.

Over the previous five annual demand forecasts, AEMO forecasts have predicated NEM wide demand which has not eventuated. This is not reflective of any failing on the part of AEMO but the inherent complexity in forecasting demand in the NEM in the current environment.

On the basis of both recent inaccuracy and the inherent complexity of forecasting in the NEM, Alinta Energy supports facilitating competing forecasts by permitting interested third parties to develop their own forecasts based on the best available data.

Further analysis will undoubtedly contribute to a more informed market place. This will occur as third party scrutiny of AEMO forecasts increases, alternative forecasts are revealed, more detailed studies are undertaken on matters of interest, and investment decisions such as network upgrades or additional generation capacity are assessed against a wider range of analytical outputs.

Data availability and accessibility

Assuming it is not overly burdensome, Alinta Energy sees that there are several operational benefits in publishing data in a consistent and standardised excel publication format where a common set of criteria are reported.

Which relevant criteria are to be included in reporting obligations is a measure best explored in further consultation with relevant DNSP's and potential data users as it is possible reporting structures and historical data may vary by region.

Costs of collecting and publishing data

Alinta Energy understands that applicable DNSP's are already required to collect relevant data in order to undertake annual distribution planning reports which include capacity demand and load forecasts for zone substations.

Given this, on balance the proposed rule change does not appear an overly burdensome extension of current practise and Alinta Energy does not anticipate any excessive implementation costs arising.

Similarly, whilst there will be some ongoing expenses associated through complying with reporting obligations, Alinta Energy believes the benefits accrued to the market place through access to relevant market information outweighs these costs and will decrease over time.

Confidentiality issues

Alinta Energy recognises that the publication of zone substation data raises the potential for information about individual customer energy load profiles being revealed to the market.

The AEMC's suggested approach of aggregating data with neighbouring zone substations, and creating possible threshold levels for number of customers, appears an appropriate solution to any customer privacy concerns. Customer privacy is an important principle and Alinta Energy supports further solutions being explored in this regard.

As an aside, Alinta Energy understands that large scale energy users generally have well researched load profiles which are commonly known to the marketplace. Given this, Alinta Energy does not consider any potential issues of liability concerns will arise for DNSP's.

Conclusion

Alinta Energy supports the rule change proposal and endorses the view that enhanced empirical analysis and greater access to regional specific data sources will encourage improved modelling and forecasts used within the NEM.



Should you have any queries in relation to this submission, please do not hesitate to contact me on, telephone, (02) 9372 2633, or Anders Sangkuhl on, telephone, (02) 9375 0962.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "J Lowe".

Jamie Lowe
Manager, Market Regulation