

4 June 2015

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

Dear John,

AEMO access to demand forecasting information consultation paper (ERC0184)

Grid Australia welcomes the opportunity to comment on the consultation paper for the above rule change request published on 7 May 2015.

Grid Australia is broadly supportive of measures, such as this proposal, which seek to improve the ability of Australian Energy Market Operator (AEMO) in performing its demand forecasting role. Further, Grid Australia notes that its members have assisted AEMO in developing and assessing its forecasting methodology to date.

Transmission connection point forecasts form an important input into decision processes by transmission network service providers (TNSPs). Given the significance of these forecasts in informing transmission investment decisions, it would be beneficial for TNSPs to have access to the data that AEMO uses to develop its forecasts as well as the forecasts themselves. This would be particularly important in the case of information on embedded generation and large industrial loads as they may have a significant impact on the load seen at a transmission connection point, yet TNSPs do not currently have access to such data.

Grid Australia seeks clarification in the Commission's decision that such information should be shared between AEMO and TNSPs. This would be consistent with one of the objectives of the rule change request which is to enable better informed transmission investment decisions.

In addition, the proposed rule includes a provision (5.20.6(b)) prescribing that AEMO may consult with the AER in developing the connection point forecasts. This element does not appear to be discussed in the rule change proposal or in the consultation paper. Grid Australia queries the need for this inclusion, and recommends that the Commission consider the appropriate interactions of AEMO and the AER regarding the development and use of the transmission connection point forecasts given the independence of AEMO's forecasting role.

Please do not hesitate to contact me on (08) 8404 7983 or via e-mail at Korte.Rainer@electranet.com.au if you wish to discuss any matter raised in this submission.

Yours sincerely,

Rainer Korte

Rainer Korte
Chairman
Grid Australia Regulatory Managers Group