



INFORMATION

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Non-scheduled generation and load in central dispatch

Commencement of consultation on rule change request

The Australian Energy Market Commission (AEMC) has started consultation on a rule change request from ENGIE (formerly GDF Suez Australian Energy) that seeks to reduce the threshold at which non-intermittent generators are required to be scheduled in the wholesale electricity market.

The AEMC has also consolidated Snowy Hydro Limited's Demand side obligations rule change request with this rule change request because the issues in the rule change requests are closely related.

Overview of the rule change request

On 24 December 2015 ENGIE submitted a rule change request to the AEMC. The rule change request seeks to amend the National Electricity Rules (the Rules) to reduce the threshold at which non-intermittent generators are required to be scheduled from nameplate ratings greater than 30MW to nameplate ratings greater than 5MW.

ENGIE has also proposed two additional changes to the Rules, which may operate in tandem or as alternatives to the proposed threshold reduction. These include creating a new 'soft scheduled' participant category and/or requiring changes to the Australian Energy Market Operator's (AEMO) pre-dispatch and dispatch processes to take into account price responsiveness of non-scheduled generators and non-scheduled loads.

Key issues for consultation

A consultation paper was released today to facilitate stakeholder comment on the key issues raised by the rule change request, including:

- the source and materiality of the impact that a lack of certain information regarding the intentions of non-intermittent non-scheduled generators is having on the efficiency of AEMO's pre-dispatch and dispatch processes.
- whether the existing rules for classification of generators remain fit for purpose in the context of increasing proportions of generation in the national electricity market being supplied by non-scheduled generation, particularly:
 - the threshold at which non-intermittent generators are required to be scheduled; and
 - the proposed introduction of a new participant classification – 'soft scheduled'.
- the potential for changes to AEMO's pre-dispatch and dispatch processes to directly take into account price responsiveness of non-scheduled generators and non-scheduled loads to reduce inefficiencies in the processes.
- the costs to non-scheduled generators of being required to become scheduled or soft scheduled and the incentives such costs may provide generators with nameplate ratings below 30MW to enter and interact with the wholesale electricity market.

The AEMC has released a consultation paper to facilitate stakeholder engagement on ENGIE's rule change request.

Submissions are due by 19 May 2016.

Consolidation of the rule change requests

The Commission received a rule change request from Snowy Hydro on 10 June 2015 seeking to amend the Rules to require that market loads 30MW or greater that are responsive to, or intend to be responsive to spot prices be registered as scheduled loads. The Commission released a consultation paper on 5 November 2015 in respect of the rule change request and received submissions from stakeholders on 3 December 2015.

The Commission has consolidated Snowy Hydro's Demand side obligations rule change request with this rule change request because the issues in the rule change requests are closely related. In particular:

- both rule change requests seek to broaden the categories for mandatory participation in AEMO's central dispatch process;
- the benefits described in both requests relate to market efficiencies from more certain information being included in AEMO's dispatch and pre-dispatch processes; and
- the solutions proposed in both rule change requests and any possible alternatives the Commission may develop as a more preferable rule could apply to address the issues raised in both rule change requests.

The Commission will release one draft and final determination for the consolidated rule change as part of a single rule change process.

Consultation process

The consultation paper and ENGIE's rule change request are both available from the AEMC website. Stakeholders are invited to make written submissions in response to issues raised in the consultation paper and the rule change request by 19 May 2016.

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21 April 2016