

12 February 2015

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



Dear Mr Pierce

Draft Rule Determination: National Electricity Amendment (Improving demand side participation information provided to AEMO by registered participants) Rule 2014 (ERC0174)

Energex Limited (Energex) appreciates the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on the draft determination and rule relating to improving demand side participation (DSP) information provided to the Australian Energy Market Operator (AEMO) by registered participants in the National Electricity Market (NEM).

Energex's comments in response to the AEMC's draft determination and rule are provided below. As a member of the Energy Networks Association (ENA), Energex has also contributed to and is supportive of the views contained in the ENA's submission.

Under the draft rule, registered participants would be required to provide to AEMO information on DSP in accordance with DSP information guidelines to be developed by AEMO. While it is acknowledged that further detailed work would be required by AEMO to determine specific information provision requirements and that AEMO must have regard to registered participants' reasonable costs of efficient compliance in developing the information guidelines, Energex is concerned with the level of discretion provided to AEMO under the draft rule for decisions which will have cost and resourcing implications for network businesses. Consequently, Energex is of the view that the current draft rule should be amended to provide further guidance to AEMO when exercising its discretion to ensure potential cost implications are limited for registered participants and customers.

In particular, the current drafting of the definitions of "contracted demand side participation" and "unscheduled generation" provided in paragraph (a) of new rule 3.7D are very broad and potentially encompass a large proportion of a distributor's customer base. It is therefore recommended that an additional paragraph be included in the rule to further define the types of DSP information covered by the definitions and specify appropriate size limits that restrict information provision to loads that have a material impact at a connection point or network level. Recommended amendments include:

- Restricting data provision to large commercial and industrial curtailable loads and non-scheduled generation which have a significant impact on connection point loads;

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- Specifically excluding time varying network, demand and customer controlled load information as these loads are highly dependent on customer behaviour, have significantly different diversity attributes compared to large commercial and industrial curtailable loads and non-scheduled generation and, most importantly, the impacts of these loads are already embedded in historical load data for connection points which AEMO can access from connection point metering; and
- Excluding the provision of data in relation to solar PV customers, as these customers could effectively be considered to be unscheduled generators contracted to their retailer.

Energex is also of the view that new rule 3.7D should limit the frequency with which AEMO is able to request DSP information to minimise resourcing impacts and costs to registered participants. Energex suggests that annual provision of data in line with AEMO's load forecasting obligations would be appropriate.

Furthermore, as AEMO's load forecasts will be used for decision-making purposes, it is important that the draft rule require AEMO to consult with registered participants prior to publication of load forecasts. It is also recommended that network service providers be provided with access to DSP information collated by AEMO relevant to their area to assist with forecasting and development of non-network solutions.

It is noted that the draft rule provides 18 months from commencement of the rule for AEMO to develop and publish the first DSP information guidelines and a minimum period of three months between the date of publication and the date when the guidelines commence. Energex does not consider that a period of three months would allow sufficient time for registered participants to implement any necessary system and process changes and therefore recommends that the minimum period be extended to nine months as suggested by the ENA.

Finally, Energex suggests that further discussions between the AEMC, AEMO, the ENA, the Electricity Retailers Association of Australia and any other interested stakeholders should be undertaken to assist in refining the DSP information provision requirements and implementation timeframes prior to publication of the final rule.

Should you have any queries regarding this submission, please contact Charmain Martin, Senior Regulatory Analyst, on (07) 3664 4105.

Yours sincerely



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