Suite 201
18 Kavanagh Street
Southbank Vic 3006
Australia

T: + 61 3 9929 4100
F: + 61 3 9929 4101
E: info@cleanenrgycouncil.org.au
W: www.cleanenergycouncil.org.au
ABN: 84 127 102 443

Clean Energy Council

Friday, 31 May 2013

John Pierce, Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235
By Email

Dear Mr Pierce,

RE: Clean Energy Council Submission to ERC0156 Publication of Zone Substation Data Consultation Paper

The Clean Energy Council (CEC) welcomes the opportunity to provide this submission to the Australian Energy Market Commission's Consultation Paper on the Publication of Zone Substation Data. The CEC supports the proponents' objectives and expects that publication of demand data at the zone substation level will provide a more appropriate level of support to the national electricity objective than the current arrangements.

The CEC is the peak body representing Australia's clean energy and energy efficiency industries. Its priorities are to:

- create the optimal conditions in Australia to stimulate investment in the development and deployment of world's best clean energy technologies
- develop effective legislation and regulation to improve energy efficiency
- work to reduce costs and remove all other barriers to accessing clean energy

The CEC works with nearly 600 member organisations and governments to identify and address the barriers to efficient industry development in the energy efficiency and stationary energy sector. The clean energy industry contributes to the generation of electricity using wind, hydro, solar, biomass, geothermal and marine energy as well as the emerging technologies and service providers in the energy efficiency sector including solar hot water and cogeneration.

As previously stated the CEC supports the proponents' objectives and provides the following general and specific responses for consideration by the Commission.

Data availability

DNSPs have integrated SCADA systems into the vast majority of zone substations for a number of years. Most of these systems have been recording data into a central database over this time. This data can be accessed through a relatively simple database query process which can enable data extraction of measured variables at time scales down to minutes in many cases. At a minimum, public data should be half hourly and include real and reactive power records for each zone substation.

Despite this the CEC understands that there may be cases where data is not as accessible or may be limited to some extent as data records may not be easily accessible. In these cases the DNSP should be required to provide an appropriate data set as close to the rules' obligation for publication as reasonable possible. Where the obligation cannot be met the DNSP should be required to provide a reasonable explanation of the reasons for not meeting the obligation.

Publication timeframes

It is essential investors are provided with the most up-to-date information to support investment decisions. Given the capability of modern computing and data management systems it should be reasonable to expect that the publication of this data could be more frequent than that proposed. The AEMC should consider the potential for increasing the frequency of this data based on the responses from distributors to this consultation.

Customer information management

The CEC believes that the issues around confidentiality would be better managed by requiring market participants and large consumers to opt-out of the publication process (described below). The CEC contends that these customer groups are already actively engaged in their electricity consumption and are best placed to make a judgement on the value of confidentiality to their interests. This approach would manage confidentiality concerns at the source with the appropriate allocation of risk, while also removing unnecessarily conservative decision making by DNSPs which could diminish the benefits of the proposed rule.

Question 1 - Data availability and accessibility

(g) *Does the data need to be published in a standardised format (for example, in a spreadsheet) for ease of access? If so, what is the preferred format?*

A standardised format would be useful to retain the accessibility of the data. This would also enable observers to develop procedures to access and analyse the data consistently. Comma separated variable (.csv) files would suffice for this purpose and are a universally recognised format.

Question 3 - Confidentiality issues

(a) *Are there likely to be issues of confidentiality surrounding the publication of zone substation data? If so, at what disaggregated level (that is, in terms of number of customers) do such considerations come into play?*
(b) *Will aggregation of the data up to a certain number of customers avoid issues of confidentiality?*
(c) *If so, what criteria should be used to aggregate the data? For example, should aggregation occur where there are five, three or less customers supplied from one zone substation?*
(d) *Will aggregation reduce the usefulness of the data for demand forecasting and econometric studies? If so, what level of aggregation should be applied to avoid the issue of confidentiality while still retaining some degree of usefulness of the data?*
(e) *How should disputes arising from data confidentiality be resolved?*

The CEC accepts that some customers may have concerns over confidentiality. In particular this issue could arise for larger customers, or market participants.

However, the proposed approach to specify a level of customer aggregation in itself poses a threat to the usefulness of the data as it creates a risk that DNSPs may become overly conservative in their treatment of data aggregation. The Commission has not made the justification for this approach clear.

The types of customers in question are large consumers or market participants whom are typically inherently actively engaged in their consumption. The CEC believes that a more appropriate measure will be to require that market participants or individual customers which consume electricity above a certain threshold level should be required to 'opt-out' of the publication of demand data. The relevant DNSP should then make the appropriate decision around aggregation for that customer's connection point. The threshold level would need to be determined by a straight forward analysis of existing customers which should be informed by DNSP responses to this consultation. All data should remain disaggregate otherwise.

The relevant customer groups would have to be notified accordingly of the proposed revised treatment of demand data. However, this would in turn place the onus on individual customers to make a judgement call on the value of confidentiality to their organisations. This is a more appropriate allocation of risk and should also go some way to avoid disputes. Despite this, any disputes which do arise should remain within the scope of the current rules' dispute processes.

The CEC believes that an 'opt-out' approach to confidentiality would manage concerns at their source with appropriate risk allocation, while also removing unnecessarily conservative decision making which could diminish the benefits of demand data publication.

Question 4 - Expected benefits

(a) *What is the materiality of the benefits identified by the proponent?*
(b) *What are your views on the value of historical and forward looking electricity demand information?*
(c) *What other benefits of the proposed rule change can be expected that have not been identified by the proponent?*
(d) *Are these other benefits likely to be significant?*
(e) *Who are likely to be the recipients of these benefits?*

Investment in the NEM is largely based on long-lived assets and driven by an expectation that the market will continue to deliver expected outcomes into the future. Recent consumer choice, government policy decisions and market forces are now challenging the status quo and require innovative approaches to inform investment decisions. To this effect the publication of zone substation data will be invaluable for innovation to continue to drive efficiencies in the decision-making processes for future investment.

While such innovation can be expected to include econometric analysis as described by the proponents, the benefits of this analysis would not be limited to ascertaining the key determinants of demand changes, or independently challenging AEMO's forecasts. The ability for prospective market participants to make an independent assessment of localised demand trends will facilitate more efficient investment decisions. In particular this benefit will flow to demand-side providers, or generators connecting to the sub-transmission system.

A further additional benefit is expected to be closer independent scrutiny of DNSP investment proposals for augmentation of the sub-transmission network. Consumers and consumer groups would be better equipped to appreciate expenditure and challenge larger proposed distribution network investments.

Broadly, these benefits all flow to consumers through deferred network augmentation, reduced financing costs, reduced network losses or reduced wholesale market prices. While inherently difficult to value precisely they are all consistent with market objectives.

Question 5 - Consistency of approach

(a) *Should there be a consistency of approach in publishing zone substation and connection point electricity demand data? Please provide reasons as to why there should/or should not be a consistent approach.*

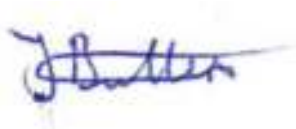
Consistency in the publication of data is important but should not take precedence over quality. The publication of zone substation data should provide sufficient information to meet the proposed objectives. Data should be provided for a period of at least 10 years and must be at least half hourly and include real and reactive power. This level of detail is consistent with the types of analysis required in consideration of zone substation power flows. Data formats must remain standard in order to be properly accessible.

Summary

The CEC reiterates support for the proposed rule change and expects that the publication of zone substation demand data with appropriate detail will create opportunities for a broad range of benefits. These extend beyond those proposed by the proponents as information availability will be crucial to the delivery of innovative solutions within a market with changing risk profiles. These solutions will become critical to the efficient evolution of the electricity market in accordance with market objectives.

Please do not hesitate to contact the undersigned for any queries regarding this submission.

Yours sincerely,



Tom Butler | Network Specialist | Clean Energy Council
Direct +61 3 9929 4142
Mobile +61 431 248 097
Email tbutler@cleanenergycouncil.org.au