

20 April 2016

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

By online submission

Dear Mr Pierce

Energy Adequacy Assessment Projection Reporting timeframes

In its submission to the AEMO consultation, Hydro Tasmania opposed the continuation of the EEAP. The response to the recent supply event in Tasmania was triggered independently of the EEAP but the EAAP which was issued by AEMO has been useful in quelling some of the more alarmist claims in the media. Hydro Tasmania adopted an Energy Supply Plan which it is currently implementing. This plan makes conservative assumptions and we are hopeful of not needing all the generation at our disposal.

Hydro Tasmania prefers the alternative approach proposed by the AEMC where AEMO **“should have discretion to publish an additional EAAP when it becomes aware of new information that may materially alter the most recently published EAAP”**.

The reason for this is to minimise the work for participants and so maximise the benefits of this rule change. In our experience, it has been very hard to establish reliable triggers and the amount of effort in defining the triggers can easily far outweigh their usefulness. For this reason, we prefer to rely on the discretion of an impartial body which has some guidelines in place to guide its behaviour.

It is also important for AEMO to be charged with considering the value of an EAAP run. In the current situation where Basslink is unavailable and Tasmania has a possible energy issue, there would be no point in running an EAAP and asking all the mainland generators for their GELF data. In future, there may well be localised energy issues of the same sort in other regions.

In the following sections, we respond to the specific questions which the AEMC have posed.

Box 5.1 Is annual EAAP reporting sufficient, with additional reporting when required, in providing information about energy constraints to NEM participants and other interested stakeholders?

Response: Forecasting energy is a very difficult activity. Our position is that the EAAP is more than sufficient.

Box 5.2 Should AEMO be required to publish an additional EAAP within a certain period of trigger events or when it becomes aware of new information that could materially change the EAAP, or should it have discretion to publish an additional EAAP when it becomes aware of new information that may materially alter the most recently published EAAP?

Response: Hydro Tasmania prefers the latter approach. AEMO should be limited to undertaking no more than four EAAP runs in any 12 month period. We note there could be some difficulty in imposing on participants the need to report a “material” change to the energy position but one would expect AEMO to be aware of such a change without a participant needing to report it to AEMO through the very transparent information which is provided by the market.

Box 5.3 How should the obligation for scheduled generators to provide GELF parameters for additional EAAP reporting be activated?

Response: AEMO should notify participants with a defined notice period to allow participants to respond. This will probably need to be longer than at present as it is currently fixed in time so participants can plan the work.

Box 5.4 Where should trigger events or factors to consider in relation to additional EAAP reporting be specified?

Response: The regulatory intent which defines the way in which AEMO will use its discretion should be specified in the EAAP Guidelines.

If you have any questions or require further information in relation to this submission, please contact David Bowker on 0418136493.

Yours sincerely

A handwritten signature in black ink that reads "D. Bowker." with a horizontal line underneath the name.

David Bowker
Regulatory Manager