



AEMO to receive better demand side participation information

The AEMC has made a new rule which has the potential to better inform AEMO's electricity load forecasts

The Commission's decision

The Commission's final rule provides a process for the Australian Energy Market Operator (AEMO) to obtain information on demand side participation from electricity market participants for the purposes of informing AEMO's load forecasts under the National Electricity Rules.

The final rule

The final rule, which is more preferable to the proposed rule, requires:

- registered participants to provide to AEMO information on demand side participation, in accordance with new guidelines;
- AEMO to develop these guidelines in consultation with registered participants and other interested stakeholders, providing these parties with an opportunity to engage with AEMO on the appropriate specification of the guidelines;
- AEMO to have regard to registered participants' costs of compliance with the guidelines compared to the likely benefits of the use of that information by AEMO for the purpose of its load forecasts under the National Electricity Rules;
- AEMO to take the information on demand side participation received into account when developing and using load forecasts under the National Electricity Rules; and
- AEMO to publish details, no less than annually, on the extent to which demand side participation information has informed the development or use of its load forecasts.

The rule also articulates the scope of required information that AEMO may specify in the guidelines.

AEMO must develop and publish the guidelines by no later than 26 September 2016. The guidelines must include a minimum three month transition period between publication and the date when the guidelines commence.

Reasons for the Commission's decision

The Commission considers that the final rule is in the long term interests of consumers and is satisfied that the final rule:

- has the potential to better inform decisions and processes of AEMO, registered participants and other energy market stakeholders;
- appropriately manages any potential regulatory and administrative burden on AEMO and registered participants by requiring public consultation on demand side participation information guidelines which AEMO must develop;
- provides flexibility so that the guidelines can evolve with demand side participation;
- balances information transparency and confidentiality issues by not imposing extra obligations on AEMO in relation to use and disclosure of protected information; and
- addresses matters related to the accuracy of DSP information provided to AEMO by requiring these matters to be considered in the guidelines.

Background

Demand side participation provides consumers with a suite of options to manage their electricity consumption and, in turn, their expenditure. This final rule change is part of the Commission's work to encourage greater demand side participation by consumers in Australia's energy markets, based on the 2012 Power of Choice review.

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