



12 January 2021

Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Sent to: AEMC by online lodgement

Dear Commissioners

**Semi-scheduled generator dispatch obligations  
Draft rule  
ERC 00313**

Major Energy Users Inc (MEU) is pleased to provide its thoughts on the issues raised in the draft rule to address semi-scheduled generator dispatch obligations.

The MEU was established by very large energy using firms to represent their interests in the energy markets. With regard to all of the energy supplies they need to continue their operations and so supply to their customers, MEU members are vitally interested in four key aspects – the cost of the energy supplies, the reliability of delivery for those supplies, the quality of the delivered supplies and the long term security for the continuation of those supplies.

Many of the MEU members, being regionally based, are heavily dependent on local staff, suppliers of hardware and services, and have an obligation to represent the views of these local suppliers. With this in mind, the members of the MEU require their views to not only represent the views of large energy users, but also those interests of smaller power and gas users, and even at the residences used by their workforces that live in the regions where the members operate.

It is on this basis the MEU and its regional affiliates have been advocating in the interests of energy consumers for over 20 years and it has a high recognition as providing informed comment on energy issues from a consumer viewpoint with various regulators (ACCC, AEMO, AEMC, AER and regional regulators) and with governments.

The MEU stresses that the views expressed by the MEU in this response are based on looking at the issues from the perspective of consumers of electricity but it has not attempted to provide significant analysis on how the proposed changes might impact generators, TNSPs and other stakeholders.

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In our response to the AER supporting the need for change to prevent semi-scheduled generators “gaming” their unique status in not having to meet the intent of their bids for dispatch the MEU commented:

“We are concerned that some semi-scheduled generators have considered that the wording for semi-scheduled generation dispatch implies that as the dispatch instruction can be viewed as a cap, allowing semi-scheduled generation to be free to deliver significantly less than their dispatch instruction based on their submitted bid. The MEU notes that a semi-scheduled generator would do this if it saw that by complying with its bid it would suffer avoidable costs. The MEU does not consider that such freedom is really intended by the Rules, but some semi-scheduled generators have used this implied freedom and by doing so causing difficulties in AEMO’s management of the power system and potentially causing higher costs for consumers. The MEU considers that the clear intent of the original rule change for semi-scheduled generators was for them to participate in the central dispatch process and be dispatched based on submitted offers<sup>1</sup> and so maintain the integrity of the central dispatch process from both a pricing and power system security perspective.

The implication of the “good faith” provisions is that each generator should be required to honour its bid subject only to the availability of its energy input supply and its equipment, just as is required of dispatchable generators.”

The MEU sees that the draft rule achieves the intent of the of the original concept for implementing semi-scheduled generation in that a semi-scheduled generator has an inability to forecast accurately what its energy resource might do in the future, but to honour it’s bids to the extent that it can.

The MEU supports the draft rule and considers it an appropriate response to inappropriate actions by some semi-scheduled generators.

The MEU is happy to discuss the issues further with you if needed or if you feel that any expansion on the above comments is necessary. If so, please contact the undersigned at [davidheadberry@bigpond.com](mailto:davidheadberry@bigpond.com) or 0417 397 056

Yours faithfully



David Headberry  
Public Officer

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<sup>1</sup> AEMC Final Determination – Central Dispatch and Integration of Wind and other Intermittent Generation May 2008, Page 40