



EnergyAustralia

LIGHT THE WAY

15th January 2020

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Dear Commissioners,

AEMC 2020, Improving Transparency and Extending Duration of MTPASA, Consultation Paper

We welcome the opportunity to comment on the AEMC's draft determination on ERM's rule change requests which aim to improve the transparency and extend the duration of AEMO's Medium-Term Projected Assessment of System Adequacy (MT PASA).

EnergyAustralia is one of Australia's largest energy companies with around 2.6 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own, operate and contract an energy generation portfolio across Australia, including coal, gas, battery storage, demand response, solar and wind assets with control of over 4,500MW of generation capacity in the National Electricity Market (NEM).

We acknowledge the Commission's responses to issues raised in submissions to the Consultation Paper. The MT PASA plays an important role in supporting reliability and security in the NEM, and we support an improved MT PASA that enhances planning and co-ordination in the market.

This submission responds to a further change proposed by ERM in its early submission to the draft determination that a 'submission reason' is included in the information submitted by participants (Clause 3.7.2 (d)).

We question the net value this would provide to market participants and AEMO. Provision of this information will require system changes for both AEMO and participants. We therefore query whether there is sufficient value in this information being provided to justify the costs, and efforts, required to make the changes. We think this would be a distraction and consume resources that could be better allocated to improving and updating the ST PASA and PD PASA processes.

In regard to the Draft Determination, we note our ongoing support for greater visibility of supply and demand projections.

- We continue to support an extension of the MT PASA to a three-and-a-half year period to support obligations imposed by the Retailer Reliability Obligation. This has become pertinent as the South Australian Government has made a T-3

instrument for the first quarter of 2022 and 2023.¹ This instigates a requirement on liable entities to commence activities to ensure they have sufficient contracts to meet a 1-in-2 year demand for the 'Reliability Gap' period, and for some parties to commence market making activities. We reiterate our comments from previous submissions that visibility of demand and supply expectations, within the relevant time period will support participants in efficiently meeting these new obligations.

- We also continue to iterate the importance of MT PASA robustly reflecting both demand and supply expectations. This rule change consultation has focused on efforts to improve the visibility and utility of the supply side data, without corresponding improvements in visibility of demand side information, particularly large step changes in demand. We continue to advocate that large loads should be required to notify the market of closure, mothballing and expansion intentions. Large loads play an equally important role in determining whether there are step changes in reliability concerns and should be required to support market processes.

If you would like to discuss this submission, please contact me on 03 9976 8482 or Georgina Snelling@energyaustralia.com.au.

Regards

Georgina Snelling
Industry Regulation Lead

¹ <https://www.aer.gov.au/retail-markets/retailer-reliability-obligation>