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Rule Change - ERC0270
Australian Energy Market Operator
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Improving transparency and extending the duration of the MT PASA

Alinta Energy welcomes the opportunity to provide a submission to the Australian Energy Market Commission's (**AEMC**) *Improving transparency and extending duration of MT PASA (the consultation paper)* which seeks a number of amendments to the Medium-Term Projected Assessment of System Adequacy (**MT PASA**) to improve transparency and accuracy.

Alinta Energy is an active investor in energy markets across Australia with an owned and contracted generation portfolio of nearly 3,000MW, including 1,700MW of gas-fired generation facilities and 1,100MW of thermal generation facilities, and more than 1.1 million electricity and gas customers including more than 650,000 in east coast markets.

The diversity of Alinta Energy's portfolio, its investment strategy, product offerings, and first-hand experiences have allowed it to develop a detailed understanding of the existing MT PASA obligations and processes. Alinta Energy is therefore well placed to provide informed comment to the consultation paper.

Support for Rule Change

Broadly speaking, Alinta Energy is supportive of the changes proposed by the rule proponent and is of the view that the changes will improve the utility and accuracy of the MT PASA tool. Alinta Energy has raised some points of note below for the AEMC's consideration.

Individual Generating Unit Data Publication

Alinta supports the change to allow individual generating unit availability data to be published within MT PASA. In Alinta's view the rule change would deliver the following benefits to market participants:

- Reduce the degree of information asymmetry currently contained within the existing MT PASA process for both market participants and market observers.

- Prevent the time-consuming process of market participants developing their own outage forecast calculating tools (which may not always be accurate).
- Allow for more efficient contracting, as market participants would know which individual parties may be seeking contractual products to cover their future outages. This increased transparency and signalling may allow for a more efficient outage-cover contracting process overall.

MT PASA Time Horizon

Alinta Energy is of the view that extending the MT PASA time horizon from two years to three years would necessitate minimal additional operating or compliance costs from both AEMO and participants. An extended time horizon would also provide higher quality information and generator transparency to market participants than currently exists over the current two-year period.

All things being equal this proposal should lead to a more efficient planning and generator operating practise. For these reasons Alinta Energy is supportive of the extended MT PASA time horizon.

Demand Forecast Update

Alinta Energy understands that at present AEMO's demand forecasts are only updated annually within the MT PASA tool, as part of the ESOO forecasting process, and as such the possibility of lagged supply-demand balance exists within AEMO's models.

In order to ensure the most accurate MT PASA tool possible, Alinta supports the frequency of demand forecasts within MT PASA being updated on a more frequent basis (potentially monthly) as proposed by the rule proponent.

Inclusion of Intending Generation in MT PASA Output

At present in the NEM, certain generation technology types (batteries, large scale solar etc) have the capability to be built and operational within a relatively short periods of time (1-2 years), and thus have the potential to impact the market within the MT PASA forecast window.

As such, Alinta Energy supports the inclusion of intending generation plant to be included within the MT PASA tool when it is reasonable to defer that the generation will in fact be built within the MT PASA period. The inclusion of intending generation capacity may also help contribute to the avoidance of AEMO determined low reserve conditions and thus prevent potentially unnecessary long-notice RERT contracts being entered into.

The rule proponent's proposal to use generic PASA profiles which align to the plant technology type, until the units actual operating regime can be finalised with AEMO appears a logical solution to determining interim PASA profiles.

Conclusion

Broadly speaking Alinta Energy is supportive of the changes proposed by the rule proponent and looks forward to participating in the next stage of AEMC's consultation process.

Please contact me via email: anders.sangkuhl@alintaenergy.com.au or by phone 02 9375 0992 if you have any queries in relation to this submission.

Yours sincerely,

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