

20 August 2019

John Pierce AO
Chairman
Australian Energy Market Commission
Sydney South NSW 1235

Submitted online: www.aemc.gov.au

Dear Mr Pierce

NATIONAL ELECTRICITY AMENDMENT (IMPROVING TRANSPARENCY & EXTENDING THE DURATION OF MT PASA) RULE- CONSULTATION PAPER

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Market Commission's (AEMC) Improving Transparency and Extending the Duration of the Medium Term (MT) PASA Consultation Paper.

Origin does not support the inclusion of disaggregated generator data in the MT PASA as it will not improve accuracy and could risk revealing commercially sensitive information. The suggestion that the current approach results in larger generators having an advantage relative to smaller players is also unfounded. Extending the MT PASA duration from 2 to 3 years is also not warranted as a longer outlook is likely to reduce the accuracy of the forecast. We expand on these views in Table 1 which also sets out our thoughts on the other aspects of the rule change proposal.

Table 1 – Views on main aspects of the rule change proposal

Proposed Rule Change	Origin's Position	Reasoning
•Publication of Individual Generator availability data	Not Supportive	<ul style="list-style-type: none">•The purpose of the MT PASA is to assess the adequacy of total regional supply to meet demand at the reliability standard. Providing more granular information on individual scheduled generators will not improve the accuracy of the forecast and is therefore unnecessary. Such a move will also run the risk of exposing commercially sensitive information.•Forecasting the output of intermittent generation has more significant implications for determining if there is enough reserve capacity.
•MT PASA Outlook	Not Supportive	<ul style="list-style-type: none">• Extending the forecast beyond 2 years will reduce its accuracy, thereby limiting its usefulness.
•Inclusion of intending generation in MT PASA outlook	Not supportive	<ul style="list-style-type: none">•Intending projects should not be included in MT PASA given the difficulties in capturing accurate forecasts of a project's completion date. Developers can be bullish in their estimates around completion times and there could be multiple alterations to a project.•We note AEMO's generation information page¹ provides market participants with the most up to date information pertaining to proposed projects.

¹ <https://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Planning-and-forecasting/Generation-information>

<ul style="list-style-type: none"> • Accuracy and transparency of demand forecasts used in the MT PASA process 		<ul style="list-style-type: none"> • The benefit of including a 90% probability of exceedance (POE) demand forecast is unclear. If the AEMC is to agree to this change it should be convinced that it will add value.,
<ul style="list-style-type: none"> • Frequency of demand forecast 	Supportive	<ul style="list-style-type: none"> • More frequent demand forecasts will ensure up-to-date potential weather conditions and demand outcomes are included. This may remove the potential for any overestimation in the unserved energy forecast.
<ul style="list-style-type: none"> • Transparency and ease of use of demand data 	Supportive	<ul style="list-style-type: none"> • Aligning the format of the published MT PASA demand forecasts with real time actual demand information, can remove any unnecessary confusion. • AEMO reporting on daily maximum and minimum regional adjusted scheduled generator availability data, will provide transparency and assist participants who require a better understanding of the available generation capacity levels being assumed in AEMO's MT modelling process.

If you wish to discuss any aspect of this submission further, please contact Kian Mohammadih at Kian.Mohammadih@originenergy.com.au or on 02 9503 5970.

Yours Sincerely,



Steve Reid
Group Manager, Regulatory Policy