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Australian Energy Market Commission
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Submitted by email to aemc@aemc.gov.au

Project number: ERC0338

Enhancing information on generator availability in MT PASA Draft rule determination

Snowy Hydro Limited welcomes the opportunity to comment on matters raised in the Draft rule determination from the Australian Energy Market Commission (the Commission) on Enhancing information on generator availability in medium-term projected assessment of system adequacy (MT PASA).

Snowy Hydro agrees that the MT PASA updates are important to accommodate for the continued transition and diversification of generation, load, and network requirements. We are supportive of amendments to the MT PASA that improve forecasting accuracy however the changes continue to require further consideration and, as they stand, could continue to lead to inefficient and inequitable market outcomes.

AEMO's request to publish a scheduled generating unit's availability or unavailability and the reason for its availability or unavailability and "unit recall time" to indicate the period in which the plant could be made available under normal conditions may provide further transparency but the benefits will likely be extremely limited when over a 36 month period.

Any unit status or recall times reporting requirements greater than a one-year outlook, and as far in advance as 36 months, are likely to be inaccurate and an unhelpful guide for market planning. For example the difficulties when estimating generator recall times, particularly during an outage so far in advance, have not been adequately addressed by the Draft rule determination. It is critical that this new information obligation is understood by the Commission addressing stakeholder concerns and not only left with the Australian Energy Market Operator (AEMO) given the new information is linked to the PASA availability information and must also meet this standard.

The Draft rule determination notes that much of the implementation detail falls to AEMO to develop; however, AEMO's duplication on collecting similar information still risks unnecessarily increasing the burden on participants and is something that still needs to be adequately assessed. This needs to be undertaken by the Commission under a proper consultation that assesses all the information that is being proposed by key forms.

Should this rule change proceed however then the streamlining of information collection is sensible. The new information replaces the need for AEMO to collect the same information through the Electricity Statement of Opportunities (ESOO) and Energy Adequacy Assessment Projections (EAAP) then this would lessen the burden on industry. AEMO should also remove the need to report to the Generator recall portal as this will

avoid the duplication of work. There is no need to keep the ability for participants to keep numerous tranches of recall and capacity and associated recall time.

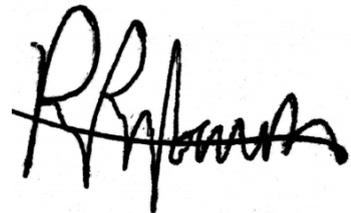
The Commission should be mindful of the burden the process could have on one group of market participants in providing this information. This is an extra requirement on generators however it is not applying equally to all market participants.

At a time when the system is becoming more volatile, we see considerable risk in diluting the information available to AEMO about demand and supply conditions or reducing the incentives for small or non-scheduled participants to strictly comply with established market procedures. These changes to non-schedule participants and demand can no longer be left to a later stage or pushed into some other market reform otherwise AEMO will never have the full information it requires. There are already inadequate transparency requirements for non-scheduled customers, who are not required to notify the market of their intentions or bid into the market, and this proposal risks not solving the problem rather seeking more information from transparent generators.

AEMO will need to be more active in the market to accommodate inflexible generation and / or unpredictable demand over which it has reduced visibility. Individual aggregators or larger customers who want to participate in wholesale and energy services markets are relatively small individually but their cumulative impact is significant.

Snowy Hydro appreciates the opportunity to respond to the Draft rule determination and any questions about this submission should be addressed to me by email to panos.priftakis@snowyhydro.com.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Panos Priftakis', written over a light blue horizontal line.

Panos Priftakis
Head of Wholesale Regulation
Snowy Hydro

