

30 January 2024

Shannon Culic  
Australian Energy Market Commission (AEMC)

Submitted via [www.aemc.gov.au](http://www.aemc.gov.au)

Dear Ms Culic,

### **Enhancing Reserve Information (formerly Operating Reserves): ERC0295**

Hydro Tasmania welcomes the opportunity to engage with the Australian Energy Market Commission (AEMC) on the *Enhancing Reserve Information (formerly Operating Reserves)* rule change (ERC0295).

Hydro Tasmania is Australia's largest generator of renewable energy and is committed to contributing to the decarbonisation of the electricity sector and the broader economy. Accuracy of forecasting processes is critical to the safe and secure operation of the National Electricity Market (NEM), especially as we move towards an energy-limited system powered predominantly by renewables. Hydro Tasmania supports iterative improvements to these processes where appropriate, including enhanced transparency of reserves.

Hydro Tasmania supports the general direction of this rule change and acknowledges that providing enhanced transparency of reserves to the market may provide efficiency benefits. Energy generators in the NEM already provide information to the Australian Energy Market Operator (AEMO) regarding generation availability and energy reserves in several ways and we are pleased that the AEMC is largely focussing on using this existing data, instead of placing further demands on generators.

However, the burden of calculating energy reserves does not fall equally on all participants. Hydropower systems are uniquely complex, with the energy availability (reserves) impacted by several factors, including weather, output of other units and conveyance between storages in cascading systems. Factors such as these make it challenging to accurately convey energy reserves in more granular timescales. It should be noted that this will not be the experience of all technologies, with some (e.g. BESS with single DUID) being able to calculate their real-time energy reserves with a high degree of confidence and low administrative burden. Hydro Tasmania looks forward to seeing the AEMC's guidance on how the provision of energy reserves information in real-time operations will be implemented without creating increased administrative burden and regulatory risk for hydropower operators.

Hydro Tasmania appreciates the work undertaken so far on this rule change by the AEMC and would be happy to engage further with the Commission on this topic, particularly on the unique experience of hydropower operators with regards to this rule change. If you wish to discuss this in any detail, please contact Dani Williams at [danielle.williams@hydro.com.au](mailto:danielle.williams@hydro.com.au).

Yours sincerely



Alex Beckitt

Head of Strategic Policy