



AEMO access to demand forecasting information

Stakeholder submissions invited on new rule change request

The Australian Energy Market Commission (AEMC) has commenced consultation on a rule change request from the COAG Energy Council which seeks to give the Australian Energy Market Operator (AEMO) access to information to develop demand transmission connection point demand forecasts. These forecasts may be used by AEMO in its national transmission planning role and by the AER to assess transmission network service providers' (TNSPs') regulatory proposals.

The rule change request

The rule change request seeks to allow AEMO to collect information for the purpose of developing transmission connection point demand forecasts for each region of the National Electricity Market. It seeks to achieve this by expressly recognising connection point forecasting as a national transmission planner function (NTP function) for AEMO. As a consequence, AEMO would be able to use its existing information gathering powers in the National Electricity Law to collect information to develop transmission connection point demand forecasts.

The rule change request also seeks to clarify that AEMO may consult with the Australian Energy Regulator (AER) in developing the forecasts; require the resultant demand forecasts to be available to the public subject to the confidentiality provisions in the National Electricity Law; and require AEMO to provide the demand forecasts to the AER upon the AER's request.

Finally, the COAG Energy Council also proposes to amend clause 5.20.5 of the National Electricity Rules to require network service providers to provide assistance AEMO reasonably requests in connection with the performance of its NTP functions. Currently this clause only places an obligation on jurisdictional planning bodies (currently TNSPs in all states except Victoria where it is AEMO) to provide this assistance to AEMO.

If clause 5.20.5 is amended as proposed by the COAG Energy Council, AEMO could use this clause to seek the information it needs for the purpose of developing demand forecasts at the transmission connection point level instead of using its information gathering powers under the National Electricity Law. It is expected that most of the information to develop the transmission connection point forecasts will be sourced from distribution network service providers.

Rule change request context

This rule change request arises from the 2012 COAG endorsed energy reform package in which the then Standing Council on Energy and Resources noted the need for benefits from sustained changes in electricity demand to flow through to consumers. For similar reasons, the AEMC also recommended that AEMO produce demand forecasts at the connection point level in its transmission frameworks review final report in April 2013.

Submissions

Submissions on the rule change request are to be lodged by 4 June 2015.

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