



Proposal to improve demand side participation information provided to AEMO

Commencement of consultation on rule change request

The AEMC has commenced consultation on a rule change request received from the Council of Australian Governments' (COAG) Energy Council that seeks to improve the quality of information that the Australian Energy Market Operator (AEMO) collates on demand side participation (DSP).

Details of the rule change request

The COAG Energy Council considers that currently, AEMO cannot obtain specific information regarding the levels of DSP in the National Electricity Market (NEM). The rule change request, which includes a proposed rule, would address this by requiring:

- registered participants to provide to AEMO information on DSP in accordance with new DSP Information Guidelines;
- AEMO to develop the DSP Information Guidelines for the collection and management of information provided by registered participants; and
- AEMO to take into account the DSP information it receives under the proposed rule when developing or using demand forecasts in relation to its market operational functions under the National Electricity Rules (NER).

The COAG Energy Council considers that better quality DSP information could be used by AEMO to improve the efficiency of its market operational functions under the NER and as an input into its public reporting obligations. In turn, this may assist participants and consumers of electricity by providing them with better information to make better informed investment and consumption decisions.

Issues for consultation

A consultation paper has been prepared to facilitate stakeholder comment on the issues raised by the proposed rule change. These issues include:

- the potential of the proposed rule to better inform decisions and processes by AEMO and other energy market stakeholders;
- the potential regulatory and administrative burden of the proposed rule;
- the degree of flexibility in the form of the DSP information provision requirements;
- the balance between transparency and confidentiality of DSP information; and
- assessing the accuracy of DSP information that is provided to AEMO.

Consultation process

The consultation paper and the COAG Energy Council's rule change request are both available on the AEMC website. Stakeholders are invited to make written submissions in response to issues raised in the consultation paper and the rule change request by no later than **9 October 2014**.

Continuing reform agenda

This rule change request originates from AEMC recommendations made to the COAG Energy Council in the AEMC's 2012 Power of Choice review on DSP in the NEM. In that review, it was noted that market and regulatory arrangements aimed at promoting the uptake of efficient DSP may impact on AEMO's ability to accurately forecast demand. Accordingly, recommendations were made to improve AEMO's access to DSP information through the provision of such information by registered participants to AEMO.

Submissions due
by 9 October 2014

Continuing reform agenda (continued)

This rule change request forms part of a broad package of reforms recommended in the Power of Choice review, and other related reforms. These reforms are being implemented by the AEMC through rule changes and supporting reviews, and by COAG Energy Council officials. The package of reforms is designed to provide consumers with opportunities to make more informed decisions about how they use electricity, and establish the market conditions and incentives required for electricity businesses to maximise the potential of efficient DSP. See the AEMC website for further information on Power of Choice.

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