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Generating System Model Guidelines

Reference: ERC0219

The Australian Energy Council (the “**Energy Council**”) welcomes the opportunity to make a submission in response to the Australian Energy Market Commission’s (“**AEMC**’s”) *Generating System Model Guidelines Draft Rule Determination*.

The Energy Council is the industry body representing 21 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

Introduction

The Energy Council acknowledges the significant changes in the power system which have occurred recently with the introduction of new non-synchronous generation and the retirement of synchronous generation, and the expected changes as new technologies such as batteries alter the power system characteristics. On this basis, it is reasonable for the Australian Energy Market Operator (“**AEMO**”) to seek additional information to support its power system management.

Discussion

The Energy Council appreciates the consideration which the AEMC has given to satisfying the concerns expressed in submissions by the Energy Council’s members and other industry stakeholders. The approach taken by the AEMC to require AEMO to be more consultative in its dealings with stakeholders and consider the costs and benefits of any data requests largely allay fears that requests for information will be onerous or unwarranted.

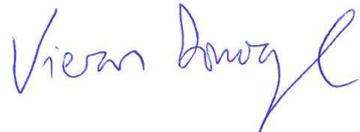
One matter which the Energy Council would like to raise is the absence of a cost-benefit analysis. While *prima facie* the changes will improve system security, and the Draft Rule Determination mollifies the costs to industry of providing information, the assessment of benefits to be obtained from the proposed rule change has been limited to qualitative statements from AEMO (summarised at Section 1.4.2). The Energy Council is therefore concerned the AEMC’s statement (at Section 2) that, “The Commission considers that there are likely to be net benefits associated with requiring participants to provide additional or more detailed model data to AEMO and network service providers, in certain circumstances” indicates this Draft Rule Determination lacks the rigour of other rule changes assessed by the AEMC. The Energy Council would not wish that such qualitative assessments become accepted practice in the future.

Conclusion

In conclusion, the Energy Council supports the draft rule proposed by the AEMC, believing it to be a pragmatic means to allow AEMO to improve system security without imposing additional, unnecessary burdens on industry, but is cautious of the qualitative assessment used in the AEMC deriving its conclusion.

Any questions about this submission should be addressed to Duncan MacKinnon, by e-mail to duncan.mackinnon@energycouncil.com.au or by telephone on (03) 9205 3103.

Yours sincerely,

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