



Energy Adequacy Assessment Projection timeframes

Publication of final rule determination and final rule

The Australian Energy Market Commission (Commission) has made a rule in response to a rule change request from the Australian Energy Market Operator (AEMO) that changes the frequency of Energy Adequacy Assessment Projection (EAAP) reporting.

Final rule determination

The Commission has made a rule that reduces the frequency of EAAP reporting while maintaining the ability to issue an EAAP when it is necessary. The final rule reduces EAAP fixed reporting frequency from quarterly to annually but requires the AEMO to produce an additional EAAP if it becomes aware of new information that may materially alter the most recent EAAP. The rule improves the balance between the benefits of reporting on energy constraints and the costs of producing an EAAP report.

Current arrangements

The EAAP is an information mechanism that provides the market with a two-year outlook on the effect of energy constraints in the National Electricity Market (NEM). Energy constraints refer to fuel shortages or constraints that limit the ability to use a generator, such as access to water for cooling or for hydro generation. The EAAP is part of a broader suite of tools that AEMO uses in assessing whether the electricity market will deliver enough capacity to meet consumer demand for electricity.

Under the National Electricity Rules, AEMO is currently required to prepare and publish an EAAP every three months using, among other inputs, information supplied by scheduled generators.

Australian Energy Market Operator's rule change request

The main issue raised in the rule change request was that "the need for, and value of, quarterly [EAAP] reporting has now diminished." AEMO stated that the National Electricity Market (NEM) is now less vulnerable to drought situations to maintain reliability and that since the end of the 2007-08 drought, the EAAP has reported no material energy constraint issues. AEMO also noted that there is value in the centralised assessment of energy constraints that EAAP reporting provides.

Commission's reasons

The Commission has determined that it should make the rule as proposed, with some amendments, as it maintains an appropriate level of information in the NEM on generation energy constraints and better balances the need to identify energy constraints in a timely manner and the costs of EAAP reporting.

The final rule will commence on 1 November 2016.

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Date: 19 May 2016