

24 June 2015

Mr Neville Henderson  
Reliability Panel  
Australian Energy Market Commissions  
P.O. Box A2449  
Sydney South NSW 1235

Dear Mr Henderson,

**Submission on the draft Annual Market Performance Review 2014 Report**

GDF SUEZ Australian Energy (GDFSAE) appreciates the opportunity to comment on the Annual Market Performance Review 2014 report.

GDFSAE owns and operates 3540MW of brown coal, gas fired and renewable generating plant in Victoria, South Australia and Western Australia, with its retail arm, Simply Energy, serving markets in Victoria, New South Wales, South Australia and Queensland.

Overall GDFSAE finds the annual report valuable in providing a holistic overview of the key market performance metrics in relation to reliability, security and safety.

This response highlights a few areas where the Reliability Panel may wish to consider additional clarification or consideration.

***P17 section 3.3 Reliability assessment***

Given the importance of assessing unserved energy GDFSAE suggests the following two modifications to the table 3.4

- When an annual unserved energy (USE) exceeds the reliability standard, the table entry should be highlighted. The only occurrence over the last 10 years was in South Australia in 2008/9.
- Include a line entry in the table for a 10-year average reliability by region. This will further quantify and highlight the sustained reliable performance of the NEM.

***P36 Accuracy of the Australian Wind Energy Forecast System (AWEFS)( fig 4.4 and fig 4.5)***

There appears to be a significant improvement in forecast performance over the last six years, particularly in the 4 to 40hr forecast timeframes. In addition to the charts, it would be helpful to provide statistical parameters regarding noted improvements/maintenance of forecast accuracies. Statistical parameters should include a measure of statistical significance for any changes in forecasting performance.

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***Inclusion of photovoltaic forecasts***

Over time the penetration of photovoltaic (PV) generation has increased significantly and has contributed to changing the load shape. From a market transparency perspective it would be useful to include a PV output forecasting module in AEMO processes in a manner similar to wind forecasting.

Does the Reliability Panel (RP) have a view in relation to forecasting photovoltaics and can this be reflected in the annual report?

***P38 Constraint changes in dispatch engine.***

Table 5.1 shows the number of constraint changes in National Electricity Market Dispatch Engine (NEMDE) over the last five years. This data by itself is not self-explanatory and needs interpretation to put it in context.

Each time a network constraint formulation is changed; there is a risk of an error being introduced into the dispatch engine. Errors in constraint formulation may not become apparent until the constraint is invoked and becomes binding sometime in the future. Such errors can potentially lead to market distortions as well as security issues.

Given that little network development is taking place and the network topology is almost static, this raises a number of questions the reliability panel may wish to consider. For instance: does the large number of constraint changes (circa 6,000 in 2014) signal inefficiencies in current representation of the network; should a more effective network representation be used; and, can this be contrasted with other electricity markets? It would be useful for the Reliability Panel to consider these questions and indicate possible ways forward.

***Consider a set of “traffic lights” for simplified communication and navigation.***

The document is very comprehensive and navigation through it could be assisted by including a set of “traffic lights” or similar against the key performance categories. The performance is considered to be quite good and such an approach risks reporting a “sea of green”; however, even if this was the outcome, it would assist stakeholders not intimately familiar with the technical details covered by the annual report.

Overall GDFSAE finds the report helpful and of high standard and suggest that it provides important information to market participants as well as other stakeholders.

Should you have any queries in relation to this submission please do not hesitate to contact me on, telephone, 0417343537.

Yours sincerely,

**David Hoch**  
Regulatory Strategy and Planning Manager