

Contingency arrangements for five minute settlement implementation

STAKEHOLDER FEEDBACK TEMPLATE

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper. Stakeholders are also encouraged to provide evidence to support claims where possible.

SUBMITTER DETAILS

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Stakeholder feedback

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CHAPTER 4 – SECTION 4.1 – CONTINGENCY PLANNING AND READINESS CAPABILITY

Question 1 – Contingency planning and readiness capability

a) Are there any other issue(s), in addition to AEMO's market start notice, the Commission should consider for any potential delay to commencement of 5MS and GS soft start? If so, what issue(s) and why?

Availability of MDP's and LNSP's for Market Trials is not sufficient to cover all participants. AEMO statistics on test case completion during the trials is overstated as they currently exclude those participants whom are unable to line up partners despite registering early for the trials.

CHAPTER 4 – SECTION 4.2 – KEY TRADE-OFFS FOR AN 'EXTENDED DELAY'

Question 2 – Extended delay options

a) If an 'extended delay' to 5MS and GS is required, do you have a preference between commencing on 1 February 2022 or 1 April 2022? If so, which date and why?

April 1st, 2022 is the preferred date to commence. December and February dates open up considerable risk to the Business given they are peak periods during summer. Having this commence mid quarter may also be problematic to internal processes also.

Question 3 – Industry implementation costs

a) If an extended delay is needed, what is the estimated difference in costs to your organisation between 5MS and GS soft start commencing on 1 February 2022 or 1 April 2022?

Additional costs will be realised if extension is to be granted in order to retain key project staff and various backfill resources that play and active role in the delivery of the program whilst maintaining BAU activities.

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Question 4 – Financial contract market implications

a) If there is a delay to the commencement of 5MS, would you prefer the new commencement of 5MS to be mid-quarter or the start of quarter? How important is this relative to other issues considered?	We have a strong preference to commence at the start of the quarter. Commencing mid-way through a quarter will make it problematic to reconcile / settle for that financial period.
b) If an extended delay is needed, are there other contract market issues the Commission should consider when deciding between 1 February or 1 April? Please explain and provide evidence.	
c) What are the estimated legal costs associated with re-negotiating contracts?	

Question 5 – Summer implementation

a) Would the commencement of 5MS and GS soft-start on 1 February 2022 be considered high risk for implementation given the additional risks of summer operations for your business or the market as a whole? Please explain and provide evidence.	Yes, Summer is a peak period for the Business and we would like to avoid this being cutover at this time.
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Question 6 – Delayed benefits	
a) If an extended delay is needed, to what extent would commencing 5MS and GS on 1 February or 1 April 2022 delay the realisation of benefits for individual participants or the industry as a whole? Please quantify and provide evidence.	An extension would mean Industry trials could be extended and participants should be able to partner up with others to complete all required tests.

CHAPTER 4 – SECTION 4.3 – IMPLICATIONS FOR GLOBAL SETTLEMENTS, WHOLESAL DEMAND RESPONSE MECHANISM AND OTHER REFORMS

Question 7 – Implications for Global Settlements, Wholesale Demand Response Mechanism and other reforms	
a) If there is a delay to the start date of 5MS and GS soft start, AEMO proposes a minimum period of 5 months between GS soft start and GS financial start. Are there any issues with this transitional period?	Not aware of any issues.
b) If there is a delay to GS financial start, should there be an equivalent delay to the date when AEMO is required to publish the UFE trends report and UFE reporting guidelines? If not, why not?	
c) Are there any issues stakeholders can identify related to commencing the WDRM on the same date as 5MS and GS soft start? If so, what are these issues and how material are they? Further, what alternative date after 5MS implementation would be preferred, and why?	Not aware of any issues. Segregation of these events would be beneficial to ensure resources are focused on a particular change and there is no confusion on implementation issues.

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d) Are there other impacts on other regulatory reforms that should be considered?

CHAPTER 4 – SECTION 4.4 – IMPLICATION OF FURTHER DELAY ON RULE DRAFTING, PROCEDURES AND DETERMINATIONS

Question 8 – Drafting implications for a potential further delay

a) Are there any interactions that stakeholders are aware of with other rules or initiatives that have not been identified in this paper?

No

b) In its rule change request, AEMO proposes that any changes that are required to already-determined procedures for the sole purpose of deferring the effective date of SMS, GS, customer switching and WDRM should not require consultation? Are there any reasons that this could be an issue?

Yes, we have a preferred deferral date that we would like to be taken into account. Other dates are problematic.