

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing and materials processing industries.

Combined they employ over 1 million Australians, pay billions in energy bills every year and expect to see all parts of the energy supply chain making their contribution to the National Electricity Objective. Our members are highly exposed to movements in both gas and electricity prices and have been under increasing stress due to escalating energy costs.

In our original submission on this matter we supported all three aspects of the rule change as proposed by ERM Power:

- improving transparency and accuracy of generation availability data through the provision of individual generator availability data, the inclusion of committed generation in the MT PASA process and additional information on unplanned generator outages,
- improving transparency and accuracy of demand forecasts by requiring AEMO to publish an additional demand forecasts including increasing the frequency of demand forecast updates and simplifying the format of published demand, and
- extending the outlook of MT PASA from two to three years with market participants required to provide information for up to three years ahead. AEMO should also be required to provide forecast information and run the MT PASA process up to three years ahead.

In this submission we:

- (i) Support the preferable rule change made by the Commission and support the Commission's conclusions from its assessment framework that the more preferable draft rule will:
- improve transparency and quality of information
 - promote reliability of the power system
 - minimise direct and indirect costs, and
 - provide regulatory certainty

In particular we see the extension to the third year providing more guidance to market participants on when a reliability event might occur in year 3 (T-3). This will have a positive impact on large end use customers and retailers on the actual operation of the Retailer Reliability Obligation (RRO) once a T-3 reliability instrument has been triggered. This more detailed and frequently updated information is currently not available with the ESOO. The extension to year 3 will enable:

- retailers to better manage their exposure to an RRO obligation when triggered, which lowers their risk and hence the costs that are passed on to consumers
- providers of demand response to better plan their potential offering to the market

- (ii) Support the proposals by ERM Power in their submission of 22nd November 2019 that:
- AEMO provide in the published MT PASA data the maximum and minimum values of the daily maximum demand forecast outcomes for both the scaled 50% and 10% POE demand traces used in the modelling
 - These forecasts are updated when AEMO knows there is a change that will have a material effect on these forecasts
 - Provide a monthly update when there has or has not been a change in the forecast, and
 - Require generators to provide a reason why there has been a change in generator availability

The EUAA believes that these proposals contribute to achieving the NEO on the context of the assessment framework, particularly around improving transparency and quality of information. We consider that while there would be some costs initially, over time the costs would be relatively low and provide improved efficiency to the market where participants will not have to individually analyse large quantities of data.

- (iii) Support the proposal by ERM Power in their submission on 9th January 2020 that the proposed date of beginning the three-year MT PASA be earlier than 22 February 2021. We note that the South Australia Energy Minister has triggered RRO T-3 Reliability Instruments for the January to March 2022 and 2023 periods and believe that implementing the third year of the MT PASA reliability assessment is required as soon as this can be achieved to release the significant benefits of this change to the NEM.

Please contact me if you would like to discuss this submission further.

Sincerely,



Andrew Richards
Chief Executive Officer