



15 August 2019

Joel Albury
Project Leader
Australian Energy Market Commission

Submitted via website: www.aemc.gov.au/contact-us/lodge-submission

Dear Mr Albury

Improving transparency and extending duration of MT PASA (ERC0270)

Stanwell appreciates the opportunity to provide feedback on the Australian Energy Market Commission's (AEMC's) Improving Transparency and Extending Duration of MT PASA Consultation Paper.

Stanwell strongly supports improvements to market transparency as it underpins both competition and the efficiency of participant responses to market signals, facilitating optimal price outcomes for consumers.

While the market may benefit from the proposed extension of the Medium Term Projected Assessment of System Adequacy (MT PASA) outlook from two to three years and publication of generator availability data at DUID level, the potential costs and time involved to implement all of the suggested changes must be weighed against the likely value derived from expending these resources, particularly within the current context and volume of regulatory reform.

The rule change request does not acknowledge the concurrent reviews and rule change processes that may in part align with some of the proposed changes. For example, the current consultation on increasing transparency of new projects (ERC0257), while not requiring the inclusion of intended generation information in the MT PASA, will provide both the Australian Energy Market Operator (AEMO) and industry with greater forward visibility.

Stanwell agrees that the demand forecasts should be updated more regularly but questions the proposed monthly timing of this requirement. AEMO has been undertaking significant work on its forecasting processes for the Electricity Statement of Opportunities as a result of the establishment of the Retailer Reliability Obligation (RRO). Given the importance of reliable forecasts for the RRO, the timing of demand forecasting changes for the MT PASA would need to be considered prudently.

Specific comments to aspects of the rule change proposals

If the rule change is progressed for further consideration, the AEMC should take account of the following:

1. Where new data is published, existing data should continue to be published

While publication of DUID level availability is likely to improve transparency, retaining the current region level information would allow participants to upgrade their analytics as and when they desire, rather than forcing these updates into a specific timeframe. Similarly, publishing as generated demand information should not *require* updates to existing analytics tools based on sent out demand information.

2. Constrained and unconstrained availability should remain obscured at DUID level

Stanwell does not support constrained and unconstrained generation availability data being explicitly stated at DUID level. The current process of publication in obscured format provides sufficient signals for market participants without compromising commercially-sensitive information.

3. 90 Probability of Exceedance (POE) should not be included in unserved energy (USE) calculation

While Stanwell supports the publication of 90POE peak demand forecasts alongside the 50POE and 10POE, the 90POE should not be factored into USE calculations. To do so may put a downward bias on USE which would have flow-on implications for processes such as network planning and the RRO.

4. Implications of publishing scheduled availability band based on forced outage simulations

Stanwell understands that one thousand potential forced outage scenarios are simulated by AEMO. We do not see the inherent value in publishing the minimum and maximum values of these simulations as a scheduled availability “band”. Additionally, publishing this information may impose associated costs on AEMO or have potential implications for Reliability Energy Reserve Trader procurement given that calculation for the required volume utilises forced outage rates.

5. Potential limitations on the accuracy of intending generation data

Although Stanwell agrees with increasing the amount and scope of intending generation data available in MT PASA, we also recognise there may be potential limitations on the useability of the proposed proxy PASA profiles, given previous delays and issues with synchronisation experienced by new market entrants. The risk of data “noise” in MT PASA may be reduced by imposing a minimum lead time for committed generators to publish PASA, however the accuracy and usefulness of this information may still be limited by external factors.



Overall Stanwell considers that given the volume and scope of regulatory change underway, while aspects of the proposed rule change have merit, they constitute more of a “nice-to-have” at this stage.

Stanwell welcomes the opportunity to further discuss this submission. Please contact Erin Wilson on (07) 3228 4316.

Yours sincerely

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