



EnergyAustralia

LIGHT THE WAY

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Australian Energy Regulator – Semi-Scheduled generator rule change(s) – Issues Paper

EnergyAustralia is one of Australia's largest energy companies with around 2.5 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own, operate and contract an energy generation portfolio across Australia, including coal, gas, battery storage, demand response, solar and wind assets with control of over 4,500MW of generation capacity in the National Electricity Market (NEM).

EnergyAustralia supports the AER seeking to ensure the secure and reliable operation of the NEM. As outlined by the AER, the ability for generators to reduce output in a way that is unrelated to dispatch targets or resource availability is inappropriate and undermines AEMO's efforts under the NEO to ensure system security.

We support a rule change being developed that addresses this issue by ensuring all generators, including semi-scheduled generators, operate in accordance with their market offers, recognising dynamic temporal resource constraints. This will improve operational confidence for AEMO, release Frequency Control Ancillary Service (FCAS) resources and reduce overall FCAS costs for the market. The AER's preferred options appear to be appropriate to progress for further consideration.

With regards for information provision, we request the AER consider additional provisions be added to the rules relating to the publication of availability information. Under the current rules, AEMO is obligated to publish semi-scheduled availability in the form of the Unconstrained Intermittent Generation Forecast (UIGF) (NER cl. 3.13.4(p)(7)). This forecast captures physical availability, as submitted by assets under NER cl. 3.7B(b), in conjunction with the impact of the prevailing weather conditions. However, AEMO does not separately publish the availability of semi-scheduled assets excluding the assumptions made for weather conditions. This is inconsistent with the information regarding plant availability that is published for scheduled generators on a D+1 basis (the day after the relevant trading interval). We see no reason for misalignment and inconsistency here.

We recognise this rule change is focussed on improving dispatch outcomes but this information deficiency is affecting market outcome efficiency. The information is used by market participants to form an independent view on generation availability and expected outage rates which supports efficient bidding and investment decisions and ultimately efficient short- and long-term market outcomes. The absence of semi-scheduled data has become increasingly important as the proportion of wind and solar generation has

increased. By providing this information, market participants and regulators will have a better understanding of the drivers behind semi-scheduled availability and whether reductions in availability is due to asset outages, de-ratings or weather conditions.

We request the AER consider including changes in the rule change request to align the information that is published about scheduled and semi-scheduled generators. These changes impose no new obligations on semi-scheduled generators as this information should already be provided to AEMO. Rather, this requires some effort by AEMO to include the information in its D+1 information release.

In conclusion, we support a change to the rules that meets the principle of requiring generators to follow their dispatch targets, subject to safety, over-riding instructions from AEMO or temporal resource availability. This is required to minimise adverse impacts on market operations and market stability and security. We further request the AER seek changes to require AEMO address inconsistencies around information published in relation to scheduled and semi-scheduled generation availability as the current inconsistency is impeding efficient decision making by participants.

If you would like to discuss this submission, please contact me on 03 9976 8482 or by email Georgina.Snelling@energyaustralia.com.au.

Regards

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