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Australian Energy Regulator

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### **Meridian Energy Australia and Powershop Australia Response to Draft Interim Reliability Instrument Guideline**

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group or Powershop) thanks the Australian Energy Regulator (AER) for the opportunity to provide comments on the AER's Reliability Instrument Guideline (the Guideline).

The MEA Group is a vertically integrated generator and retailer focused entirely on renewable generation. We opened our portfolio of generation assets with the Mt Mercer and Mt Millar wind farms. Subsequently, in early 2018 we acquired the Hume, Burrinjuck and Keepit hydroelectric power stations, further expanding our modes of generation. We have also supplemented our asset portfolio by entering into a number of power purchase agreements with other renewable generators, and through this investment in new generation we have continued to support Australia's transition to renewable energy. Powershop has also been active in supporting community energy initiatives, including providing operational and market services for the community-owned Hepburn Wind Farm, supporting the Warburton hydro project, and funding a large range of community and social enterprise energy projects through our Your Community Energy program.

Powershop is an innovative retailer committed to providing lower prices for customers and which recognises the benefits to customers in transitioning to a more distributed and renewable-based energy system. Over the last five years, Powershop has introduced numerous new, innovative and customer-centric initiatives into the Victorian market, including the first mobile app that allows customers to monitor their usage, a peer-to-peer solar trading trial and a successful consumer-led demand response program.

We provide the below feedback to the questions raised in the Guideline.

The Australian Energy Market Operator (AEMO) will make a reliability instrument request to the AER if a forecast reliability gap period is identified at the T-3 / T-1 cut off. Each year in the Electricity Statement of Opportunities (ESOO) AEMO will provide data inputs, calculations, assumptions and methodologies used in the reliability forecast.

We understand that the AER's role in assessing a reliability gap period will not be to re-work or re-model the outputs presented in the ESOO but verify if there are any material errors or incorrect assumptions used in the modelling. In order for the AER to be satisfied that the ESOO inputs are accurate, the MEA Group believe that modelled assumptions need to be presented in a way that easily determines how the market solution is solving the supply / demand balance, to identify and calculate the forecast gap period.

The ESOO therefore needs to provide the following information in a one-in-two year peak forecast period:

- Transmission flow assumptions of interconnectors;
- Renewable and scheduled generator generation assumptions; and
- Battery discharge/charging assumptions.

AEMO should also provide analysis of how the prior year (10 year look back) ESOO demand forecasts have performed. Further to testing demand forecasting assumptions and accuracy, transmission assumptions and renewable generation assumptions against prior year(s) actual performance should also be presented in the future ESOO.

If you have any queries or would like to discuss any aspect of this submission please do not hesitate to contact me.

Yours sincerely



Justin Mulder

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