MINUTES

MEETING:	MLF round table Sydney
DATE:	Tuesday, 19 July 2016
TIME:	13:00 – 14:30 AEST
LOCATION:	AEMO Sydney Office/Teleconference

ATTENDEES:

NAME	COMPANY / DEPARTMENT
James Googan	Origin
Simon Bolt	Delta (phone)
Sam Gard	Infigen
Tom Geiser	Infigen
Andrew Milne	Infigen
Ron Logan	ERM
Victor Martinez	FRV (phone)
Aaron Felizardo	FRV
Igor Brandao	Infigen
James Lindley	AEMO
Ramitha Wettimuny	AEMO
John Bartlett	AEMO
Ryan Burge	AEMO
Shantha Ranatunga	AEMO

Issues from the round table discussion noted below.

Each issue is categorised by the type of consultation required to make the change. The categories are:

- **Informal** – a number of issues have been raised that can be addressed without going through a National Electricity Rules (NER), or a National Electricity Law (NEL) defined consolation.
- **Methodology Change** – changes to the Methodology for Calculating Forward-Looking Transmission Loss Factors require AEMO to follow the consultation procedures as set out in clause 8.9 of the NER.
- **Rule/Framework Change** – changes to the NER must be done through the process described in Part 7 of the NEL.

Issue	Consultation Change Category:	Discussion

Backcasting	Informal	• Back casting required to analyse if there is a need to overhaul the MLF calculations
		• Two different methods of back casting to be considered with differing objectives
		  ○ One method where actual marginal losses for a historic year are calculated. These results can be used to assess if the MLF is producing factors reflective of marginal losses
		  ○ Another method where actual demand and generation outcomes for a historical year are run through the MLF calculation process. These results can be used to assess the impact of changes in demand and energy forecasts can have on the resultant MLFs.
		• AEMO Note: Back casting results will be indicative only.

Generation Data	Methodology Change – Clause 5.4	• Using historical generation data from 2 years prior to target year does not accurately represent forward looking generation
		  ○ For hydro generators, should we look at historical rainfall over a number of years? Similarly, can consider multiple years of wind generation.
		  ○ Is it more accurate for generators to provide forecast monthly generation?
		  ○ Monte-Carlo simulations over many years to model target year generation
		  ○ Possibility of gaming the system by knowingly providing misleading info
		  ○ Mitigating circumstances – paper trail would be available, violation of the NER

Generation availability	Methodology Change – Clause 5.5	• It is not accurate to use historical generation availability for forward looking calculation

		○ Why not use MT PASA or forward looking outage schedules?
Generation Dispatch	Methodology Change – Clause 5.5	• Can AEMO consider Short Run Marginal Cost when forecasting/dispatching generation in load flow model? ○ Other AEMO functions model this ○ External consultants can provide model • Is the current model for calculating MLFs still fit for purpose? Is there something better available?
Transparency of information	AEMO Process	• AEMO should publish modelling assumptions and discuss with stakeholders prior to calculation ○ Not useful only discussing final results • AEMO should calculate backcast MLFs and present/explain differences ○ Highlight incorrect assumptions ○ Calculate 'actual' MLFs as well as using actual data in TPRICE model • DRAFT MLFs – can they be presented earlier to allow for analysis/discussion ○ Risk with MLFs being incorrect
Inter and Intra regional flow	AEMO Process	• More transparency in inter-regional flows, assumptions and constraints • Can information regarding intra-regional flows, limits be presented? • More transparency in transmission data
True-up of MLFs	Rule/Framework Change	At the end of the financial year, can financial statements be trued-up using actual MLFs calculated at the end of the financial year.
Smoothing of MLF	Rule/Framework Change	Can the MLFs be averaged over multiple years to avoid large year-on-year changes?
Locational/Investment Signals	Rule/Framework Change	Are the MLFs sending correct signals as to where new generation should be located?