PROVISION OF INDICATIVE MARGINAL LOSS FACTORS

This fact sheet provides an explanation of the process, fees and data required for the calculation and provision of an indicative MLF by AEMO.

Background

AEMO is required under clause 3.6 of the National Electricity Rules to calculate intra-regional loss factors, generally referred to as marginal loss factors (MLFs), and inter-regional loss factor equations, by 1 April each year to apply for the next financial year.

AEMO uses the Forward Looking Loss Factor (FLLF) methodology[1] to calculate the MLFs. This methodology lists in detail data requirements, methods, and assumptions used in the calculation of MLFs.

Interested parties may on occasion require MLFs under conditions that differ from the FLLF methodology. Some examples may be as follows:

- A proponent may wish to assess the potential impact on published MLFs if a generating unit is installed or upgraded at a particular connection point.
- A market customer may wish to assess the impact on the published MLFs at a connection point without the contribution of a nearby generating unit.
- A market participant may wish to assess the MLF of an embedded generator for which AEMO does not normally calculate and publish an MLF.

To assist interested parties with such requests, AEMO provides a service to calculate indicative MLFs under non-standard assumptions for a nominal fee.

Indicative MLF Calculation Process

Request for calculating indicative MLFs

An interested party may request the calculation of a indicative MLF by sending an email to MLF@aemo.com.au with the following information.

- Name, designation, and contact details for technical information and requirements.
- Name, designation, and contact details for invoicing.
- Detailed explanation of the study required.
- Data for calculation of indicative MLFs – depending on the study required, the data requirements may change. Refer to section 4 for further details.

After AEMO receives a request to calculate indicative MLFs, AEMO will assess the request and inform the interested party of the fee and likely timeframes, normally expected to be within 10 business days after the receipt of all input data, before commencing any work. The timeframes may vary depending on the complexity of the request.

[1] See http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Security-and-reliability/Loss-factor-and-regionalboundaries

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Calculation and delivery of results

AEMO will then validate and prepare data, and, in most circumstances, run a series of simulation studies to calculate indicative MLFs. AEMO will electronically deliver a formal letter with the indicative MLF within the agreed timeframe.

Invoicing

AEMO will submit an invoice to the designated contract after delivery of the indicative MLFs.

Fees

The fees charged will depend on the complexity of the request. The fee structure in Table 1 will apply.

Work performed		Fee Charged
Data validation, preparation, simulation, and results review	Indicative MLFs for a single scenario	$3,757
	Indicative MLFs for each additional but closely related scenario*	$2,200
No simulations are necessary. Only data validation, and preparation performed to produce one or more indicative MLFs		$1,375
Incremental fee per hour**		$275

* For example, a recalculation of the same scenario with another generation trace.

** An incremental fee will be charged when additional time is required to perform the study (for example, modelling of several new generation traces, or modelling complex network changes).

Data Requirements for Calculating Indicative MLFs

Location

The location of the connection point and the point of connection to the shared transmission network where an indicative MLF is required to be calculated is necessary. If the request involves a new terminal station or transmission lines, network augmentation information (such as single line diagrams and impedances) is also required.

Additionally, any details pertaining to connection assets such as exempt dedicated connection assets (DCAs, previously referred to as unregulated transmission assets), DCAs and dedicated network assets (DNAs).

Plant outputs

For any new plant or existing plant, the estimated half-hourly active power and reactive power traces over the indicative MLF calculation year are required. The traces should have 365 days and 17,520 trading intervals, or 366 days and 17,568 for a leap year.

Miscellaneous

The interested party may also specify any special requirements or study assumptions to be considered.

For any further enquiries, please contact AEMO's Systems Commercial team via

- MLF@aemo.com.au