



3 September 2021

Ben Blake
Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001
Lodged via email: ben.blake@aemo.com.au

Dear Mr Blake

RE: 2021 Congestion Information Resource guidelines draft determination

Shell Energy Australia Pty Ltd (Shell Energy) welcomes the opportunity to respond to the Australian Energy Market Operator's (AEMO's) draft determination on the Congestion Information Resource (CIR) guidelines (the Guidelines).

About Shell Energy in Australia

Shell Energy is Australia's largest dedicated supplier of business electricity. We deliver business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers. The second largest electricity provider to commercial and industrial businesses in Australia¹, we offer integrated solutions and market-leading² customer satisfaction, built on industry expertise and personalised relationships. We also operate 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and are currently developing the 120 megawatt Gangarri solar energy development in Queensland. Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy.

www.shellenergy.com.au

General comments

Shell Energy welcomes AEMO's draft determination to incorporate several of our suggestions from the first stage of consultation. In particular, we welcome AEMO's commitment to:³

- "modify the annual and monthly constraint reports to provide more granular segregation of data"
- investigate "which information from the MT PASA constraint results can be published and where this would most appropriately be located in the CIR"
- "investigate the feasibility of providing additional NOS statistics as a part of the existing annual and monthly constraint reports".

¹ By load, based on Shell Energy analysis of publicly available data

² Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2020.

³ AEMO, *Congestion Information Resource Guidelines: Draft report and determination*, August 2021, pp 6. Accessed from: https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/aemo-engagement-model/congestion-information-resource-guidelines/draft_report_and_determination_ver1-2021.pdf?la=en



However, we are disappointed that AEMO has rejected our suggestion to make available to market participants a replica of the network mimic panel used by AEMO's control room. We question the rationale for disagreeing with our suggestion, and urge AEMO to reconsider its position. That is the focus of this submission.

Replication of the AEMO control room network mimic panel

Shell Energy's June submission outlined our rationale for why providing market participants access to replica of AEMO's network mimic panel would be beneficial, and how it could be implemented⁴. The draft determination made three arguments for why AEMO does not plan to implement our suggestion⁵.

AEMO's first argument was that:

"The detailed real-time modelling of the network is based on information obtained from the TNSPs and is not AEMO's information to share."

In our view, it is not clear why AEMO considers this information to be confidential. We believe that providing this information to market participants would be analogous to generators providing supervisory control and data acquisition (SCADA) information to transmission network service providers (TNSPs). Our June submission gave examples where real-time information would prompt a more efficient response from market participants, which would ultimately flow through to lower prices paid by consumers. This is consistent with the National Electricity Objective (NEO).

In light of these arguments, we recommend that AEMO reconsiders its position. If AEMO still believes that the information is confidential, we recommend that AEMO provides clarity to interested stakeholders by referring to the relevant clauses in the National Electricity Rules (NER).

AEMO's second argument was that:

"AEMO is also of the view that, for security reasons, this information is not appropriate to be made widely available via the congestion information resource."

Shell Energy agrees that the CIR would be an inappropriate platform to host a replica of the network mimic. This is why our June submission suggested that "the mimic could be hosted on the Electricity Market Management System (EMMS) or a secure AEMO website to mitigate security risks".

If AEMO believes it would be impossible to mitigate security risks by using the EMMS or an alternative secure website, we recommend that AEMO outlines its reasoning.

AEMO's third argument was that:

"Relevant information for market participants to inform market response to real-time or near-time issues and forecast conditions is presently made available through the provision of market notices as soon as practical as well as updated NOS information."

We acknowledge that AEMO staff act as soon as practical when issuing market notices. Similarly TNSPs update the Network Outage Schedule (NOS) once they become aware of, and assess an issue. However, as noted in our June submission, there are often material delays between physical changes in the network, and market participants being informed by AEMO and/or TNSPs – particularly when the system is under stress.

⁴ Shell Energy, *RE: 2021 Congestion Information Resource guidelines*, 17 June 2021. Accessed from: https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/aemo-engagement-model/congestion-information-resource-guidelines/shell-energy.pdf?la=en

⁵ AEMO, *Congestion Information Resource Guidelines: Draft report and determination*, August 2021, pp 6-7. Accessed from: https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/aemo-engagement-model/congestion-information-resource-guidelines/draft_report_and_determination_ver1-2021.pdf?la=en



Some delays arise because AEMO and TNSP control room staff are rightly focussed on maintaining the secure operation of the power system. Other delays arise because updates to the NOS only occur on a half-hourly basis. Therefore, if an event occurs just after NOS is updated, it can be up to one hour before the market has access to a new NOS update that details the impacts of an unplanned outage. Regardless of their cause, these delays result in less-efficient decision making than would occur if market participants had access to real-time information.

As a result, we consider that AEMO's rationale does not address the primary issue – i.e. that a network mimic available to market participants would remove inefficiencies resulting from information being provided 'as soon as practical' rather than in real time. This would help to further the NEO. We recommend that AEMO addresses this directly in its final determination.

Conclusion

Shell Energy welcomes several components of AEMO's draft determination. However, we disagree with AEMO's rationale for not providing market participants with access to a replica of the network mimic panel used by AEMO's control room. We recommend that AEMO reconsiders its position.

If you would like to discuss this submission further, please contact Ron Logan, Senior Markets Adviser at ron.logan@shellenergy.com.au or on 0427 002 956.

Yours sincerely

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