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Dear Ms Falcon,

**Consultation Paper on Key Forecasting Inputs in 2020**

ENGIE is a global energy operator in the businesses of electricity, natural gas and energy services. In Australia, ENGIE has interests in generation, renewable energy development, and energy services. ENGIE also owns Simply Energy which provides electricity and gas to more than 720,000 retail customer accounts across Victoria, South Australia, New South Wales, Queensland, and Western Australia.

ENGIE Australia & New Zealand (ENGIE) has actively and consistently participated in AEMOs planning and forecasting forums and welcomes the opportunity to contribute feedback on the Key Forecasting inputs 2020 Consultation paper.

AEMO has consistently sought stakeholder contribution and has responded with changes to the process to develop key assumptions. Changes also included improved stakeholder engagement and effective issues management.

Engie considers these to be very positive steps which have contributed to improve process and the quality/relevance of the resultant modelling assumptions.

The development of key scenarios and their consistent application by consultants to align their work is welcome.

Engie fully supports the joint work between AEMO and CSIRO to keep the generator technology costs updated on an annual basis and considers the stakeholder engagement effective.



**Detailed response- Network distribution losses (Ref Table 12 page 21)**

It is unclear how these losses will be used in long range modelling. However, it is inappropriate to maintain these as constant over time, and a dynamic approach is needed. A dynamic approach could be based on expected network augmentations and the penetration of distributed generation and storage. These would serve to change usage patterns and at times offset demand and hence the distribution loss factors.

ENGIE welcomes AEMOs initiatives and process changes to date and encourages AEMO to continue on a path of continuous improvement and a culture of:

- information and process transparency
- effective stakeholder engagement
- complete and clear documentation.

ENGIE looks forward to continuing to work with AEMO to advance the planning and forecasting processes and methodologies to ensure that value to stakeholders is maximised.

Should you have any queries in relation to this matter, please do not hesitate to contact me on, mobile 0417343537.

Yours sincerely,

**David Hoch**

Regulatory Strategy and Planning Manager