



Friday, 3 April 2020

Mr Oliver Derum
Australian Energy Market Operator
Level 22, 530 Collins Street
Melbourne VIC 3000

RE: Generation Information Guidelines

ERM Power Limited (ERM Power) welcomes the opportunity to respond to the Australian Energy Market Operator's (AEMO) consultation on amendments to AEMO's Generation Information Guidelines, collectively 'the Guidelines'.

About ERM Power

ERM Power (ERM) is a subsidiary of Shell Energy Australia Pty Ltd (Shell Energy). ERM is one of Australia's leading commercial and industrial electricity retailers, providing large businesses with end to end energy management, from electricity retailing to integrated solutions that improve energy productivity. Market-leading customer satisfaction has fuelled ERM Power's growth, and today the Company is the second largest electricity provider to commercial businesses and industrials in Australia by load¹. ERM also operates 662 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland, supporting the industry's transition to renewables.

<http://www.ermpower.com.au>

<https://www.shell.com.au/business-customers/shell-energy-australia.html>

General comments

ERM Power supported the outcomes of the Transparency of New Projects rule change, in particular the intent that the rule change would provide superior information to that currently then available, to both existing and intending participants, regarding the potential location of connection for projects that were currently progressing to completion, or were in the planning and development stages.

Improving the transparency of the pipeline of new projects will keep market participants well informed and enable them to make operational and investment decisions based on more accurate information. It also opens the pathway for greater coordination between generators — making it easier for generators to collaborate to address issues such as system strength. Increased transparency will also provide additional information to market participants, which may provide parties with more information to better assist them in forecasting marginal loss factors, as well as where to locate. It may also assist with AEMO's operational and forecasting processes.²

In our view it is critical that the intent of this rule change now be placed in operation via AEMO's Generator Information Page and these Guidelines. We note that whilst the consultation sets out the information and data to be provided by AEMO on the Generation Information Page, the documents refer to the Generator Information Guidelines, we take this to include comments on information and data available from the Generator Information page. In providing comments to this consultation process, our comments are based on the Interim Generator Information Guidelines as published by AEMO in December 2019 and the Consultation Paper (the Paper).

¹ Based on ERM Power analysis of latest published information.

² Page ii AEMC Final Determination – Transparency of New Projects



Contents of the generator information guideline

The Guidelines in section 2.2 sets out the purpose of AEMO's Generator Information Page. In our view the stated purpose as set out in the Guidelines fails to adequately set out what we believe is the primary purpose of the Generator Information Page to;

Provide transparent and accurate information regarding existing and future generation projects to allow existing and intending participants to better co-ordinate project developments or retirements and provide improved locational signals for new developments.

We consider that this is the primary purpose of the Generator Information Page and that this be clearly set out in the Guideline.

Whilst Table 2 sets out the "generation information published according to summary status and NEM dispatch type", the Guidelines fail to set out the critical information categories for each existing generator or project that is to be included in generation information and data published on the Generator Information Page. We consider that this information and data would include, but not be limited to, such information as region, site name, owner, fuel type, capacity (MW), storage capacity (MWh), technology type, dispatch type, connection point and date of expected commissioning or retirement. It is our view that the provision of the connection point based on existing major switchyards, terminal stations, etc, is critical information to allow the intent of the Transparency of New Projects rule change to be achieved. Absent this information the full benefits of the rule change will fail to materialise. We recommend that the generation information and data to be included in the Generator Information Page should be consulted on and set out as an appendix to the Guidelines.

We note that AEMO currently differentiates between Committed and Proposed new generation project categories using five project commitment criteria, covering site acquisition, contracts for major components, planning and other approvals, financing and dates (for construction and full commercial use). We also note that further detail about these criteria is included in the Background Information tab of the Generation Information "NEM" spreadsheet published on the Generation Information Page. We understand that one of the major hurdles in the commissioning of new projects is the approval by AEMO of the proposed generator performance standards (GPS) which is currently included in the "planning and other approvals" criteria. Currently a project that has commenced and is close to completion could be considered as "advanced" or "committed*" based on the delay in approval of its lodged GPS. We believe there could be merit in removing the GPS from the "planning and other approvals" criteria to its own criteria and allowing a project which is only awaiting final approval of its GPS to be considered as "committed" as opposed to "advanced" or "committed*".

AEMO has also requested feedback on the selection of project status based on the respective categorisation under each of the commitment criteria as set out in the spreadsheet. It is unclear that sufficient clarity exists regarding the selection of project status outcomes between "committed*" and "advanced". Consideration could be given to allowing for an "advanced" project a "red" status in one only of the contracts for major components, planning and other approvals, or dates criteria category plus an additional one only "amber" status in any one of these three categories plus a "red" or "amber" status in the proposed GPS criteria. We consider that the "dates" criteria category should also be included as a "non-green" status criteria for classification as an "advanced" project as the final date for commissioning of the project would not have been set absent finalisation of approvals or contracts for major components.

We support the requirement for project owners to provide updated information regarding their respective projects on an "as required basis" within a reasonable time period. However, we also recommend that AEMO request updates to project status for all listed projects on a routine basis as part of its quarterly Generator Information Page update process.

We also recommend for clarity that the six proposed project commitment criteria and accompanying description and classification criteria be set out as an appendix to the Guidelines, as opposed to simply being embedded in a spreadsheet.



We support the proposed months of January, April, July and October as set out in the Paper to achieve the minimum requirements for quarterly updates of the Generator Information Page with publication of an interim update in the event that a participant notifies AEMO of a material change to information required for publication under NER 3.13.3A(a). An interim update would not replace any of the routine quarterly updates as set out above.

AEMO has also requested feedback with regards to requesting “a 10-year seasonal scheduled capacity forecast for all new developments”. We are supportive of such an outcome for all new developments pending confirmation of the information requirements and noting that some uncertainty exists with regards to the forecast vs actual annual degradation rates for solar PV output capacity and battery energy storage systems storage capability and asynchronously connected generator inverter capability under summer generator reference temperatures, so some level of inaccuracy may occur. We understand that currently AEMO plans to continue to allocate nominal ½ hourly output profiles for semi-schedule generators, in doing so, AEMO must ensure that temperature derating based on the summer generator reference temperature is only applied in modelling to those days where temperature derating is likely to occur. We also recommend that AEMO develop a framework to more closely engage with the industry to develop improved methods to further improve the accuracy of these semi-scheduled generator output profiles used in AEMO’s modelling.

AEMO interface for input of generator information

ERM Power recommends that AEMO hold an industry workshop to review and receive feedback on the new Generator Surveys SharePoint Portal. The new input portal is in our view difficult to use with some questions more aligned with scheduled thermal generation types as opposed to the new types of generator seeking to connect to the system. We suggest that the proposed workshop would benefit AEMO and existing and prospective generators and lead to improvements to the generator data input process reducing the need for multiple interactions between AEMO and participants in this area.

Guidance on evidence required to be determined as a project developer

We support the criteria for determination as a project developer as set out in the Guidelines and the Paper.

Please contact me if you would like to discuss this submission further.

Yours sincerely

[signed]

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