

## **Amendments to the Reliability Standard Implementation Guidelines, MT PASA Process Description and Energy Adequacy Assessment Projection Guidelines Consultation Draft Determination and Report**

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The Energy Users Association of Australia (EUAA) is the peak body representing large commercial and industrial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing and materials processing industries. Combined our members employ over 1 million Australians, pay billions in energy bills every year and require that all parts of the energy supply chain are making their contribution to the National Electricity Objective.

Our members are highly exposed to movements in both gas and electricity prices and have been under increasing stress due to escalating energy costs. These increased costs are either absorbed by the business, making it more difficult to maintain existing levels of employment or passed through to consumers in the form of increases in the prices paid for many everyday items.

Thank you for the extension to enable the EUAA to make a short submission on these matters.

As we noted in our earlier submission on this matter, we continue to be concerned about the conservatism used by AEMO in its forecasting methodology. This has a large impact on the costs that consumers are forced to pay for a level of reliability that consumers have not had the opportunity to express a view on.

In our support for the submission by ERM Power, we argued that their proposed amendments provided a more appropriate balance among reliability, security and cost.

We are pleased to see that AEMO has taken on board a number of the ERM recommendations:

- Clarity in all forms of reliability modelling, that if not explicitly modelled, the USE values included in the probability weighted calculation of expected USE arising from 90% POE demand profiles are assumed to be zero.
- Clarity that the level of DSP will be the same in all forms of reliability modelling.
- Inclusion of a defined term for VRE generation in the glossary of the MT PASA Process Description.

However, we still see a number of remaining concerns, including:

- In the Reliability Standards Implementation Guideline - the ability of AEMO to seek third party review of data provided by registered participants and use that third party's data without any requirement to transparently publish the differing views and publicly engage on the most appropriate input data.
- Conservative approach to modelling of hydro generation capability in all forms of the reliability assessment.
- Inclusion of unplanned outages of intra-regional transmission in the USE calculation.
- Wanting to issue Clause 4.8.9 Instructions and Directions or contract for RERT based on potentially out of date ESOO information.

As we did in our earlier submission on the First Stage Consultation, we have had the opportunity to review the ERM Power submission at this Second Stage and support its recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read 'A Richards', written in a cursive style.

Andrew Richards  
Chief Executive Officer