

23 September 2024

Australian Energy Market Operator  
530 Collins Street  
Melbourne

Submitted electronically

### **ST PASA Procedures and related documents**

Snowy Hydro Limited welcomes the opportunity to comment on matters raised in the ST PASA Procedures and related documents by the Australian Energy Market Operator (AEMO).

Snowy Hydro agrees that the ST PASA updates are important to accommodate for the continued transition and diversification of generation, load, and network requirements. We are supportive of amendments to the ST PASA that improve forecasting accuracy however there are changes that continue to require further consideration and, as they stand, could continue to lead to inefficient and inequitable market outcomes.

We note the Australian Energy Market Commission (AEMC) delegated policy work to AEMO by asking for the development guidelines that should typically fall under the Rules. It is therefore important for AEMO to consider any important changes that could still be made or prevented that involve a significant burden and material costs for market participants. Snowy Hydro continues to have concerns with the recall information which remains proposed in the same form as the AEMC's proposal.

#### **Recall times**

Under the Amending Rule, the ST PASA will

- Redefine the availability to remove the arbitrary 24 hour notice period within which any additional generation could be made available;
- Require a specified capacity that can be available within a maximum of 168 hours (7 days), corresponding with the outlook period to be specified in the RSIG; and;
- Procedures will describe an extended input requirement for the notice period (or recall period) within which additional capacity could be made available if required.

Regarding the amending rules, Snowy Hydro does not believe the benefit in knowing the initial recall time for an outage, outweighs the associated costs with requiring participants to bid a changing recall time through each trading interval.

There needs to be further consulting with participants to redefine the current 24-hour time frame. The AEMC had not addressed the costs associated with requiring participants to bid a changing recall time through each trading interval. By removing the specification of a 24-hour recall period there will be a significant compliance burden imposed onto market participants to meet the new standard.

As the recall time proposal stands it will only add to the confusion for participants, whilst also increasing the burden and reporting requirements. It is unclear why AEMO remains committed to the idea of specifying the recall time where a reduction in capacity exists. Snowy Hydro believes an option would be to specify 2 to 3 bands (0-8 hrs, >8-24 hrs, >24-168 hrs) where recallable MW volumes are provided

As with the MTPASA process, providing a single recall time for aggregated units will make it unclear for market participants. Snowy Hydro's Murray stations have 14 units and it's not uncommon to have 3 or more units on outage with varying recall times. In the MTPASA process AEMO has requested Snowy Hydro to report the largest recall, so if the same is applied to STPASAs then AEMO will still not be able to obtain how many MW's are available on short recall.

### **PASA Availability and Recall Time**

With AEMO seeking to gather recall information for each interval over the corresponding PASA Availability period, AEMO should remove the need to report to the Generator recall portal as this will avoid the duplication of work. There is no need to keep the ability for participants to keep two tranches of recall and capacity and associated recall time.

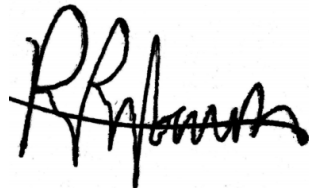
Since the AEMC's consultation, Snowy Hydro has not seen any reference to removing the obligation of updating the Generator Recall (in the AEMO Portal) on request. The STPASA changes are pointless for Snowy Hydro if this obligation remains, as they already have a mechanism to access recall information when it's needed. We hope AEMO can rectify this duplication.

### **About Snowy Hydro**

Snowy Hydro Limited is a producer, supplier, trader and retailer of energy in the National Electricity Market ('NEM') and a leading provider of risk management financial hedge contracts. We are an integrated energy company with more than 5,500 megawatts (MW) of generating capacity. We are one of Australia's largest renewable generators, the third largest generator by capacity and the fourth largest retailer in the NEM through our award-winning retail energy companies - Red Energy and Lumo Energy.

Snowy Hydro appreciates the opportunity to respond to AEMO on the ST PASA Procedures and related documents. Any questions about this submission should be addressed to [panos.priftakis@snowyhydro.com.au](mailto:panos.priftakis@snowyhydro.com.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read "Panos Priftakis".

Panos Priftakis  
Head of Wholesale Regulation  
Snowy Hydro