DRAFT MINUTES – Forecasting Reference Group (FRG)

MEETING: #7

DATE: WEDNESDAY 27TH MAY 2020

CONTACT: Energy.Forecasting@aemo.com.au

Attendee	Company	Site
Abe Abdullah	ESCSA	Teleconference
Adam Day	AER	Teleconference
Ali Habibi Khalaj	AEMO	Teleconference
Andrew Turley	AEMO	Teleconference
Anna Livsey	PIAC	Teleconference
Anula Abeygunawardana	AEMO	Teleconference
Arindam Sen	TransGrid	Teleconference
Bella Pennington	AEMO	Teleconference
Ben Eddington	Origin Energy	Teleconference
Ben Skinner	AEC	Teleconference
Ben Tudman	AEMO	Teleconference
Bill Nixey	NSW DPIE	Teleconference
Brad Harrison	ElectraNet	Teleconference
Brent Hudson	Essential Energy	Teleconference
Bret Harper	RepuTex Energy	Teleconference
Cam Potter	Hydro Tasmania	Teleconference
Carol Tran	AEC	Teleconference
Craig Pollard	Energy Queenland	Teleconference
Dane Winch	AEMO	Teleconference
Daniel Collins	AEMO	Teleconference
Daniel Guppy	AEMO	Teleconference
David Havyatt	Energy Consumers Australia	Teleconference
David Heaberry	Major Energy Users	Teleconference
David Hoch	Engie	Teleconference
Dean Knight	Powerlink	Teleconference
Deborah Marsh	AEMO	Teleconference
Deepak Agarwal	Energy Australia	Teleconference
Drushti Chandarana	VIC DELWP	Teleconference
Ed White	Ausgrid	Teleconference
Edwin Ong		Teleconference
Elijah Walker	AEMO	Teleconference
Elisia Reed	SA Power Networks	Teleconference
Enrique Montiel	Powerlink	Teleconference
Florie Fong	Energy Australia	Teleconference
Franki Lee	Endeavor Energy	Teleconference
Gang Cao	TransGrid	Teleconference

Georgia Snelling	Energy Australia	Teleconference
Gregory Staib	AEMO	Teleconference
Helen Wang	AEMO	Teleconference
Herath Samarakoon	TasNetworks	Teleconference
Hua Situ	AEMO	Teleconference
Jacqui Bridge	AusNet Services	Teleconference
Jana Zeman	ACCC	Teleconference
Jasmine Zheng	Delliote	Teleconference
Jennifer Brownie	QEUN	Teleconference
Joachim Tan	AEMO	Teleconference
Joe Hemingway	Stanwell	Teleconference
Jon Hoppwood	Stanwell	Teleconference
Jose Viada Galvez	AEMO	Teleconference
Ju-Ai Ng	Jemena	Teleconference
Kaleem Ansari	DELWP	Teleconference
Kent Hahn	AEMO	Teleconference
Khai Chang	Energy Australia	Teleconference
Kyle Lin	Energy Australia	Teleconference
Leslie Lay	AEMO	Teleconference
Levi Rosenbaum	AEMO	Teleconference
Luke Dowling	AEMO	Teleconference
Magnus Hindsberger	AEMO	Teleconference
Marc Thiebaut	Ausgrid	Teleconference
Marike de Waard	Acil Allen Consulting	Teleconference
Marino Bolzon	SA Gov	Teleconference
Mark Grenning	EUAA	Teleconference
Matt Marston	AEMO	Teleconference
Matthew Napolitano	SA Power Networks	Teleconference
Nick Cimdins	AusNet Services	Teleconference
Nick Culpitt	AEMO	Teleconference
Nicola Falcon	AEMO	Teleconference
Norman Jip	DELWP	Teleconference
Patrick Gan	Energy Australia	Teleconference
Paul Grzinic	Aurora Energy	Teleconference
Pedro Carvalho	AEMO	Teleconference
Phil Pollard	QEUN	Teleconference
Phil Tavill	AEMO	Teleconference
Prateek Berri	TasNetworks	Teleconference
Richard Hickling	GHD	Teleconference
Roberta Maher	AEMO	Teleconference
Ron Logan	ERM Power	Teleconference
Sam Ingram	CleanCo QLD	Teleconference
Sanju Vargeese	United Energy	Teleconference
Sarah-Jane Derby	Origin	Teleconference
Shane Brunker	Energy Queensland	Teleconference
Sharon Reymond	Tas Gov - Growth	Teleconference
Sharon Young	South East Water	Teleconference
Thakshila Gunaratna	Clean Energy Council	Teleconference
Thomas Dargue	Vena Energy	Teleconference
Vivian Mai	AEMO	Teleconference

1. Welcome and Introductions

Daniel Collins (AEMO) welcomed everyone to the May FRG meeting.
Minutes from both the April and the 13th May COVID-19 FRG meetings were accepted.
Submissions since the last FRG meeting, included in the submissions register, were mentioned. Submissions following FRG meetings are encouraged.
Daniel Collins reminded FRG members that the Forecast Accuracy Report Methodology consultation closes on June 3rd 2020.
Daniel Collins announced the commencement of a joint consultation on the Reliability Standard Implementation Guidelines (RSIG), Medium Term Projected Assessment of System Adequacy (MT PASA) Process Description, Energy Adequacy Assessment Projection (EAAP) Guidelines and Spot Market Operations Timetable, with submissions open until 29th June 2020.
All submissions should be sent to energy.forecasting@aemo.com.au.

2. Presentation 1 – NEM consumption forecasts for the 2020 ESOO.

Greg Staib (AEMO) presented the draft electricity consumption forecasts for the NEM in the 2020 ESOO, focusing on the relative changes to the 2019 ESOO forecasts and the forecast impact of COVID.

Key topics raised by stakeholders during this section included:

- David Headberry (Major Energy Users) queried whether the impact of immigration on new residential construction, (an expected 3-5-year drop), had been factored into the electricity forecasts. Greg Staib (AEMO) advised that this has been included, impacting connections growth through to 2024 (the duration and magnitude varies across the scenarios). Additionally, the impact of more people working from home may offset the drop in new household construction and lowered connections forecast[1]
- David Headberry (Major Energy Users) also asked whether possible smelter closures are factored into the scenarios. Greg Staib (AEMO) replied that the Slow Change scenario considers the possibility for large industrial loads (LILs) to close, including closures that are not committed. The Central Scenario does not assume Large Industrial Loads (LILs) will be lost unless advised by those firms. Prateek Berri (Tas Networks) supported this approach, and considered that large electricity consumers' should remain open unless commitments exist to close, similar to the treatment of generator closure commitments.
- David Headberry (Major Energy Users) asked for AEMO to create a range for the central scenario to include uncertainties and sensitivities in the Central scenario,

[1] (as supported by a recent forecast by the Housing Industry Association).

particularly given there appears to be more downside than upside demand risk. Ron Logan (ERM) supported that defining a wedge around the Central Scenario has merits. David Havyatt (Energy Consumers Association) disagreed, stating that the focus should be on the range provided by all of AEMO's scenarios, and that the Slow Change and Step Change scenarios should not be ignored.

- Jennifer Brownie (QEUN) queried forecasts for the economic recovery and suggested that AEMO's business forecasts should survey small businesses. Nicola Falcon (AEMO) responded that the FRG is the place for consumer and small business representatives to share such information with AEMO. Jennifer Brownie asked if the hit to tourism has been included. Greg Stab (AEMO) replied that tourism impacts have been captured indirectly through economic modelling.
- Mark Grenning (EUAA) asked AEMO to disclose the likelihood of scenario occurring. Nicola Falcon (AEMO) stated that AEMO must identify the Central Scenario as the most probable scenario, but the likelihood of all scenarios is not defined, and is not required to be for the ESOO. Ron Logan (ERM Power) suggested the Central Scenario be a weighted average of a range of possible sensitivities to the central scenario.
- Ron Logan (ERM Power) asked how different actual grid delivered energy was pre-COVID compared to the forecasts. Greg Staib (AEMO) answered that the actual operational demand was 1% lower than forecast when estimating the impact on FYE2020 consumption as a result of three month's of COVID-19 social distancing measures. Nicola Falcon (AEMO) assured the FRG that AEMO does confer with ENA members from both transmission and distributions to monitor changes. Ron Logan asked for the data to be made available by the end of the year. Nicola Falcon answered that AEMO will be as transparent as possible.
- Jennifer Brownie (QEUN) asked whether ESOO updates will be shared before the end of the year. Nicola Falcon (AEMO) responded that AEMO will share economic and ESOO updates when uncertainty is lowered if there are material differences. Jennifer Brownie asked if AEMO can access ATO data regarding the reliance of small business on the Australian Government's Jobkeeper program to understand how electricity consumption will change at the conclusion of the program, which she noted was expected to end in September. Nicola Falcon responded that any update will be targeted at a time when there is more clarity on the impacts of COVID-19 on consumption, but that accessing ATO data may not be the most effective way to do this.
- Craig Pollard (Energy Queensland) commented that Australian manufacturing relies on trade, commodity exports and global growth. If these remain low for a significant period, this will impact Australian electricity consumption and should be factored in. Domestic policies targeting increased domestic activity may not bring the global stability required for a similar recovery in all sectors.

3. Other Business

Daniel Collins (AEMO) announced that the next meeting will discuss Demand Side Participation (DSP) and historical and forward-looking forced outage rates. The end of June FRG will include draft minimum and maximum demand forecasts.

Key topics raised by stakeholders during this section included:

- Ron Logan (ERM power) asked for demand forecasts to be discussed in terms of "operational as generated" to align with real time data.

4. Meeting Close

The next FRG meeting is scheduled for Wednesday 10th June 2020.

Forecasting Reference Group (FRG) Actions Items – OPEN (as at 3rd June 2020)

Item	Date Raised	Topic	Action required	Responsible	By	Status
3.1.2	25/09/2019	Information sharing	Consider developing a mechanism for sharing inbox submissions with the wider FRG group. FRG to provide suggestions to AEMO.	AEMO and FRG	TBC	**OPEN** In interim, have included out of session submissions in meeting pack
8.1	25/05/2020	RSIG Consultation open	Submissions for a joint consultation on RSIG, MTPASA and EAAP Participants to submit feedback to energy.forecasting@aemo.com.au	FRG	29 June 2020	**OPEN**
8.2	27/05/2020	Central scenario extended over a range	Provide a range or bandwidth for the central scenario to include sensitivities in the most commonly used scenario.	AEMO	ESOO (August 2020)	**OPEN**
8.3	27/05/2020	Provide actual delivered energy data, when possible	Provide actual data so users can compare with forecasts.	AEMO	Dec 2020	**OPEN**

8.4	27/05/2020	Units for demand forecsasts	Demand forecasts to be discussed in terms of “operational as generated” to align with real time data.	AEMO	June 2020 FRG	**OPEN**

Forecasting Reference Group (FRG) Actions Items - CLOSED

Item	Date Raised	Topic	Action required	Responsible	By	Status
	29/04/2020	Consultation on Forecast Accuracy Report Methodology	Participants to submit feedback to energy.forecasting@aemo.com.au	FRG Participants	03/05/2020	**CLOSED**