Forecasting Reference Group (FRG) DRAFT MINUTES

MEETING: FRG #11 2020

DATE: Wednesday, 26 August 2020

TIME: 2:00pm – 4:30pm AEST

LOCATION: Teleconference

ATTENDEES:

Name	Company	Name	Company
Harriet Tienstra	Acil Allen	Patrick Gan	Energy Australia
Daniel Collins	AEMO	Ben Skinner	Energy Council
Daniel Guppy	AEMO	Aleksander Rinaldo	Energy Queensland
Helen Wang	AEMO	Shane Brunker	Energy Queensland
Joachim Tan	AEMO	Ron Logan	ERM Power
Josh Copeland	AEMO	Abe Abdallah	ESCO SA
Leslie Lay	AEMO	Brent Hudson	Essential Energy
Levi Rosenbaum	AEMO	Mark Grenning	EUAA
Marcus Sniedze	AEMO	Cara Baker	GLNG
Matt Marston	AEMO	Robert Pane	Intergen
Rachael Saw	AEMO	Julie Morrison	Internode
Magnus Hindsberger	AEMO	David Headberry	MEU
Andrew Turley	AEMO	Anna Evans	MIT
Steven Zollo	AEMO	Bill Nixey	NSW Planning
Luminita Baloi	AEMO	Sarah-Jane Derby	Origin Energy
Dane Winch	AEMO	Stephen Archer	Pearl Clean Energy
Carla Ziser	AEMO	Anna Livsey	PIAC
Kent Hanh	AEMO	Adam Ryan	Powercor
Roberta Maher	AEMO	Dean Knight	Powerlink
Adam Day	AER	Enrique Montiel	Powerlink
Karan Sharma	Appea	Jennifer Brownie	QEUN
Paul Grzinic	Aurora Energy	Phil Pollard	QEUN
Rowan von Spreckelsen	Aurora Energy Research	Marino Bolzon	SA Gov
Morteza Moallemi	AusNet Services	Elisia Reed	SA Power Networks
Nick Cimdins	AusNet Services	Steve Fraser	SA Power Networks
Thakshila Gunaratna	CEC	Noel John Sligar	Sligar & Associates
Sam Ingram	CleanCo Qld	Owen Logan	Snowy Hydro
Shira Samocha	Deloitte	Shaun Bradburn	Snowy Hydro
David Havyatt	ECA	Brendan Ash	Stanwell
Abu Abdullah	Electranet	Herath Samarakoon	Tas Networks
Franki Lee	Endeavour Energy	Julie Morrison	Tas Networks
Connor McLeod	Enel	Prateek Beri	Tas Networks
Bernadette Velarde	Energy Australia	Arindam Sen	TransGrid
Bradley Woods	Energy Australia	Sujeewa Vithana	United Energy
Florie Fong	Energy Australia	Daniel Dempsey	Vic DELWP
Ian Hawkins	Energy Australia	Norman Jip	Vic DELWP

Kyle Lin	Energy Australia

1. Welcome and Introductions

Daniel Collins (AEMO) welcomed everyone and covered the following:

- Open and recently closed actions.
- The June minutes will be reviewed following feedback. (Action 4.5.1) The July FRG minutes are in progress.
- The Demand Side Participation Information (DSPI)[1] consultation commenced. Submissions close on 30th September 2020. (Action 4.5.2)
- The Reliability Standard Implementation Guidelines[2] consultation accepted second stage submissions until 28th August 2020. (Action 4.5.3)
- Submissions to Energy.forecasting@aemo.com.au are appreciated.

2. Presentation 1 – Demand Side Participation Information (DSPI) Guidelines

Magnus Hindsberger (AEMO) presented the amendment raised for consultation on AEMO's DSPI guidelines and DSPI Portal. The presentation focused on DSPI specifically, not on DSP forecasts.

Key topics raised by stakeholders during this section included:

- Jennifer Brownie (QEUN): Suggested including an end user category to capture the industrial/commercial split.
  - (AEMO): Currently the categories are only program related. Some of the voluntary fields capture residential/business use and potentially further NMI level information could be analysed for this purpose.
  - Daniel Collins (AEMO): Would adding extra categories increase the reporting load on consumers?
  - AEMO: Any additional reporting would be statistical, the metadata could be analysed to determine if the DSP can be categorised under end users.
- Steve Fraser (SAPN): The portal should include an "embedded generator" category that are responding to price.
  - (AEMO): This may be included in the portal upgrade following the consultation.
- Ron Logan (ERM Power): Which forecasts exclude DSP?
  - (AEMO): DSP is excluded from longer term forecasts; it's modelled as a supply source.
- Ron Logan (ERM Power): Will AEMO publish a single DSP value covering both demand reduction at the time of maximum demand, and load increase at times of minimum demand?
  - (AEMO): DSP forecasts will be published separately for minimum and maximum demand responses.
- Jennifer Brownie (QEUN): How does AEMO deal with inaccurate DSP estimates provided in the portal – are there penalties?
  - (AEMO): Currently there are no penalties. AEMO agrees that regionally material differences should be investigated.

3. Presentation 2– Commitment Criteria

Steven Zollo (AEMO) presented AEMO's current commitment criteria for anticipated projects for both the ESOO and ISP and the possibilities of refining the process. Steven Zollo asked FRG attendees for their feedback on the six existing project Commitment Statuses. The responses are shown in Table 1. Table 2 shows attendee's feedback on possible measures for demonstrating progression of anticipated projects.
Table 3 shows feedback regarding the balance of confidentiality versus transparency surrounding projects being tracked by AEMO's Generation Information dataset.

[1] https://aemo.com.au/consultations/current-and-closed-consultations/dspi-guidelines
[2] https://aemo.com.au/consultations/current-and-closed-consultations/rsig-mtpasa-process-description-eaap-guidelines-and-spot-market-operations-timetable

Key topics raised by stakeholders during this section included:

- Jennifer Brownie (QEUN): AEMO's generation information public website only includes public information. However, aggregated figures in the ESOO additionally include confidential information. Can't the ESOO still publish the public information in (for example) the finance section of the criteria?
    - (AEMO): When publishing aggregated figures, AEMO needs to ensure they can't be disaggregated to reveal confidential individual projects.
- Ron Logan (ERM Power): Creating a definition for confidentiality would be beneficial. Additionally, AEMO should publish readily available information, including projects' connection points; This information may be available elsewhere on the AEMO website, indicating no confidentiality issues for publication in Generation Information.
    - (AEMO): Once a project has its Connection Point published as part of MLF studies, it could be mirrored in the Generation Information data file. AEMO has to respect if survey custodians mark data as confidential but agrees that in some cases it is not logical as they are public data points. AEMO is assessing which Generation Information survey fields should be able to be marked as confidential. (Action 4.5.4)

4. Presentation 3 – Reliability Forecast Guidelines (RFG)

Carla Ziser (AEMO) presented components of AEMO's current RFG and flagged an upcoming consultation. Magnus Hindsberger (AEMO) discussed the structure of the RFG and how they were compiled. Participants were asked which areas they would like to consult on, results are shown in Table 4.

Key topics raised by stakeholders during this section included:

- David Headberry (MEU): Each element requires equal consultation, to ensure each component is used efficiently.
- Ron Logan (ERM Power): Effective consultation is most important.
- David Havyatt (ECA): Regarding industry engagement[3], the FRG is a good model. Collaborative engagement outside official submissions and responses is beneficial, specifically discussing which areas need to be consulted on before the consultation paper is published.

5. Meeting close

The next FRG meeting, focusing on Gas, is on September 30.

[3] Referring to AEMO's engagement consultation, available at https://aemo.com.au/consultations/current-and-closed-consultations/renewing-aemos-engagement-model

Appendix A Tables

Table 1 -– Usefulness of the six Commitment Statuses

Poll Question	1 (Least)	2	3	4	5 (Most)	Average (/5)
1. How useful is the "Publicly Announced" status?	4%	29%	25%	17%	25%	3.3
2. How useful is the "Emerging" status?	14%	41%	27%	5%	14%	2.6
3. How useful is the "Maturing" status?	0%	42%	25%	17%	17%	3.1
4. How useful is the "Advanced" status?	0%	9%	32%	27%	32%	3.8
5. How useful is the "Committed*" status?	0%	5%	9%	23%	64%	4.5
6. How useful is the "Committed" status?	0%	0%	0%	9%	91%	4.9

Why are some criteria not useful?	• Wonder if construction start (maybe split into site prep and actual installation) should be a criterion by itself rather than simply differentiate between advanced and COM* • Having a PPA means the project is more likely, but not will definitely, proceed to financial close. I prefer the progression methodology of projects through from publicly announced through to committed. From an AEMO perspective, seeing a project with a close by expected commissioning date, which is still at maturing should prompt EMO to request a revision. I worry about the lack of definition between Advanced and Committed* status, perhaps allowing two yellow traffic lights in the Advanced status would improve this. • I'm at a DNSP and the public announce sort of gets the project on our radar if we haven't been contacted. The emerging isn't very useful. Advanced and committed* are useful because they have progressed a bit and committed means that the project is going from our point of view. • We need a definition of each criteria e.g. planning criteria - we need to pick up a proposed project at the earliest time e.g. when the project has lodged a development application to the relevant local or state government and when the development application has been approved. This is public information and just needs state and territory governments to provide. • Maturing could be more useful if it has a green light in either finance or planning. • What's important in terms of project status varies between different organisations. For example, in our organisation specifically financial commitment and under construction start date are more useful (so advance to committed). • Emerging, maturing and Committed* don't provide a clear distinction between the criteria before and after. I suggest combining emerging and maturing to something like 'In early development' and changing Committed* to something like 'Works begun'

	• Emerging not as useful since doesn't trigger a change of treatment. Publicly announced is useful for awareness of projects. Maturing/Advanced useful due to Anticipated Project treatment. • The EPC process and financial uncertainty around it is generally much lower than being able to secure an offtake at the price that will make the project stack up. • Date is not useful till maturing or above in progress. It is generally otherwise just a placeholder and may not be updated. • There is no clarity in the current structure to reflect the firmness of the commitments. • Projects with early commitment status values are too unreliable / volatile, therefore not very useful from an NSP perspective. • What would make them more useful is studies on the likelihood of projects that meet the criteria being eventually commissioned. • I don't think any aren't useful.

Table 2 - Possible considerations to demonstrate progression towards being an Anticipated project

Poll Question	Yes (%)	No (%)
1. Connection Agreement approval with the Network Service Provider?	100	0
2. Expression of Interest / submissions to Government procurement activities?	24	76
3. Capacity auctions or funding grants – success or failure?	64	36
4. The update frequency of submissions to AEMO? e.g. receipt of new or confirmed information via Generation Information survey or Key Connection Information at least every x months.	53	47
5. Commissioning date(s) provided? e.g. full commercial use date from survey and/or commissioning start date from Key Connection Information.	75	25
What other things can be used to demonstrate progression?	• PPA. (x3) • Council. (x2) • Application. (x2) • Construction commenced. (x2) • Submission of application to connect. (x2) • Licence approval, GPS submission to AEMO. (x2) • 5.3.4a letter. • Development. • Land acquisition. • Licence to generate.	

	• Full commissioned end date. • TNSP - Notice to Proceed of connection. • Strength of counterparty to acquiring output. • PPA signed over X% (preferably over 50%) of capacity. • Commencement of approval of a GPS as distinct to commencing the connection agree process.

Table 3 – Confidentiality versus transparency of new projects

Question		Yes	No	Unsure
Does the current framework give the right balance between confidentiality and transparency of new projects?		23%	23%	54%
Why?	• It would be great to have an industry-wide consensus on when a project needs to be included in the generation survey, led by AEMO. • Too much emphasis is placed on project confidentiality vs improved project transparency. It's the reason why the connections space is such a mess and projects have been placed in sub-optimal locations leading to increased requirements for additional transmission network which results in increased costs to consumers. • Generation Information Page is on a public website therefore all information on the Generation Information Page should be information in the public domain. • Because there should be almost no confidentiality.			

Table 4 – Components for RFG consultation

Slido Question	Suggestions:
What areas would you like to see focus on?	• Demand • All of them • All - but mostly data inputs and assumptions • Data inputs, assumptions and methodology (x4) • Industry Engagement • All of them but particularly effective stakeholder engagement • Estimated variance • The RRO is a very heavy obligation so all aspects have to be treated to the maximum need • More transparency with forecasts and demand response • Improvement on forecasts and the reliability of the forecast

Appendix B Forecasting Reference Group (FRG) Actions Items

FRG Action Items – OPEN (as at 23rd September 2020)

Item	Date Raised	Topic	Action required	Responsible	Due	Status
4.2.2	10/06/2020	Improve FOR data collection	Improve data collection to include outage causes.	AEMO	Dec 2020	OPEN
4.3.2	24/06/2020	EV charge profiles	Publish the assumptions behind EV charge profiles shown in the 2020 ESOO.	AEMO	CSIRO's DER report and AEMO's Inputs & Assumptions Workbook	OPEN
4.5.2	26/08/2020	DSPI Guidelines Consultation	1st stage submissions to energy.forecasting@aemo.com.au	Participants	30th Sep 2020	OPEN

FRG Action Items – CLOSED (as at 23rd September 2020)

Item	Date Raised	Topic	Action required	Responsible	Details	Status
4.1.4	27/05/2020	Demand forecasts "as generated"	Demand forecasts to be discussed in terms of "operational as generated" to align with real time data.	AEMO	Uploaded to Meeting Pack 32	CLOSED
4.3.1	24/06/2020	Connection Point Forecasts	DNSPs to engage with AEMO to assist with the COVID-19 impact on different connection points.	Distribution Networks	AEMO have engaged with DNSPs	CLOSED
4.3.3	24/06/2020	Zoomed in Graphs	Provide graphs for NSW which show the difference between scenario plots	AEMO	Uploaded to Meeting Pack 32	CLOSED
4.5.1	02/08/2020	Minutes	Re-issue June Minutes	AEMO	Circulated to FRG	CLOSED
4.5.3	14/08/2020	RSIG consultation	2nd stage submissions to energy.forecasting@aemo.com.au	Participants	Consultation Complete	CLOSED
4.5.4	26/08/2020	Review confidentiality of survey fields	Review which fields can be marked as confidential	AEMO	Review Complete	CLOSED