



20 March 2013

Shilpa Karri
Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001

Via: planning@aemo.com.au

Dear Ms Karri,

Planning Studies – 2013

Alinta Energy welcomes the opportunity to make a submission in response to the Australian Energy Market Operator's (AEMO) Planning studies – 2013: Information and Consultation Paper.

Alinta Energy is an active investor in the energy retail, wholesale and generation markets across Australia. Alinta Energy has over 2500MW of generation facilities in Australia (and New Zealand), and over 700,000 retail energy customers across Australia.

Alinta Energy actively uses AEMO's publications, modelling assumptions and data sets, and appreciates AEMO's attempts to improve these resources.

Energy Forecasting

Alinta Energy is supportive of AEMO's proposal to develop a consistent methodology for connection point forecasting (at a transmission level). Alinta Energy is also encouraged by AEMO's commitment to improving and strengthening regional specific forecasting by:

- increased engagement with Transmission Network Service Providers to better align forecasts;
- integrating local issues and demand trends into the modelling process; and
- improving links between connection points and regional forecasts.

Access to regional specific energy trends and demand is considered a valuable source of information by Alinta Energy.

National Planning Documents

Alinta Energy notes that at present there exists a slight disparity between Electricity Statement of Opportunities (ESOO) and Gas Statement of Opportunities (GSOO) assumptions. Alinta Energy is supportive of increasing consistency in the primary assumptions between these two documents.

Alinta Energy believes that AEMO could further enhance its gas load forecasting (over the many different time horizons). It may also be beneficial to have some key performance indicators established for these estimations which are then reported on a regular basis, as is currently the case in the electricity market.

Alinta Energy would welcome a broader range of gas consumption data nationally and regionally. Alinta Energy appreciates that there is likely appropriate data related reasons that not all jurisdictions are published; however, further data in this area would be appreciated.

Changes to input models

Still in relation to the GSOO, interest has been raised over whether or not future AEMO forecasts will include variability between maximum and low demand capacity, as well as pipeline maximum and minimum capacity. The supply of such estimates is of value to Alinta Energy's operations.

Planning and modelling forum

Alinta Energy is supportive of AEMO's proposed review of working group structures, in the context of consolidation of current overlapping working groups.

Nonetheless, Alinta Energy is concerned with proposals to limit access to some membership groups, as this limitation could only lead to a decrease in the variety of insight from stakeholders. Alinta Energy is supportive of open consultative forums in order to facilitate insightful discussion which is beneficial to the market and AEMO's work.

NEM power station emissions factors

Alinta Energy is of the opinion that the National Greenhouse and Energy Reporting (NGER) data contains some fundamental inconsistencies and as such is unsuitable for emissions intensity forecasts. The continually changing nature of plant modifications/upgrades, different fuel types and plant operational cycles means that NGER data is not reliable for future forecast modellings; the inclusion of such is likely to add to statistical volatility.

Due to the commercial nature of this data, Alinta Energy suggests that market participants may be unwilling to accede to its release.

Scenario modelling

Alinta Energy is supportive of AEMO's principle of updating scenarios in response to influential and meaningful policy changes, rather than updating scenarios in a pre-defined timeframe.

However, there is a view that the existing scenarios may be inadequate. Alinta Energy would welcome work through a relevant forum to develop a small number of robust scenarios for use across AEMO's portfolio of publications.

Whilst the modelling of several unique scenarios in AEMO publications is informative in a conceptual and theoretical format, in the context of providing certainty to the market place the inclusion of several unrealistic scenarios is ineffective and of limited value.

General navigation through AEMO data

Whilst AEMO is a producer of high quality data and forecasts, Alinta Energy believes at present navigation through the AEMO website is at times a laborious task, especially for those unfamiliar with the work of AEMO.

Whilst potentially off scope, Alinta Energy suggests that only a few minor changes could lead to AEMO's website and publications becoming far easier to navigate. A relevant question is: has the era

of regular publications ended? While yearly publication releases are the standard, the use of a portal with updates may be just as, if not more, useful.

Whilst such an arrangement would have less fanfare, it could operate as a single site to regularly engage industry as data develops and is improved across gas, electricity and networks. As an example, the U.S. Energy Information Administration website provides a useful portal of data in a clear format which is very accessible. Such a similar navigational modification could additionally add to the value of AEMO publications.

Performance Assessment

As previously alluded to in this submission, Alinta Energy is supportive of the formation of an ongoing, consistent and thorough review process for all of AEMO's forecasting across electricity, gas and transmission network models.

Currently key performance indicators are sporadically established across some of AEMO's forecast models. The provision of a consistent and ongoing review process across all forecasts would form an integral part of ensuring that accurate and reliable forecasts are maintained across AEMO's publications.

Conclusion

Apart from these minor considerations Alinta Energy welcomes the consultation paper and broadly supports the aforementioned changes.

Should you have any queries in relation to this submissions, please do not hesitate to contact me on, telephone, 02 9372 2633, or Anders Sangkuhl on 02 9375 0962.

Yours sincerely,



Jamie Lowe
Manager, Market Regulation