

DRAFT DETERMINATION - NATIONAL ELECTRICITY AMENDMENT (ENHANCING RESERVE INFORMATION) RULE 2024 (ERC 0295)

8 FEBRUARY 2024

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing, building materials and food processing industries. Combined our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

Thank you for the opportunity to make a submission for AEMC's Draft Determination for the Enhancing Reserve Information (formerly the Operating Reserve Market) rule change. This submission supports the submission made by EUAA Supporting Member, Shell Energy on this matter. EUAA is supportive of the AEMC's draft determination in that:

- the AEMC will not proceed with a potentially costly Operating Reserve Market;
- the AEMC is proposing that state of charge and maximum storage capacity of batteries, aggregated by region, will be published in close to real-time and following trading by dispatchable unit identifier (DUID), to align with existing post-trading day publications and that energy constraints on other scheduled plant (hydro, gas and coal) would be aggregated by region and published daily; and
- The AEMC will not change Frequency Control Auxiliary Services (FCAS) procurement processes, including regional and proposed sub-regional procurement frameworks without a separate rule change process.

However, we are disappointed that the AEMC will not pursue expanding AEMO's requirements to report on forecast accuracy of Lack of Reserve (and other) forecasts to improve transparency and provide a feedback loop directly to AEMO and consumers demonstrating either areas of forecasting that need improving or that the forecasting is meeting NEM requirements. This would also be a useful tool to ensure that all market participants continue to act in good faith at all times.

AEMC argued that the rules do not prevent AEMO from producing these types of reports and that the information is available through various publications on AEMO's website. In response, we maintain that AEMO is currently publishing the minimum required forecast accuracy reports, and that while information is available on AEMO's website, it is located in various locations that is both time consuming and inefficient for interested parties to access.

The EUAA also considers that this type of accuracy reporting should be independent to the market body performing the forecast to create independence and impartiality to the reports. With the current Forecast Accuracy Report, AEMO is effectively “marking their own homework”.

The EUAA has submitted this request to expand the current planning-timeframe forecast accuracy reporting to all forecasting tasks in the operational-timeframes in submissions to AEMO’s current *Forecast Improvement Plan* and *Forecast Accuracy Report Methodology* consultations, however expects that AEMO will respond using the argument that AEMC has used in this draft determination, that the information is available and that there is no requirement in the NER to publish these reports.

We feel it is in the best interest of both AEMO and energy users for a better reporting regime than that which currently exists.

In summary, we support the AEMC’s draft determination on the Operational Reserve Market, improved transparency for DUID capacity and FCAS, but are disappointed with the response to our request for transparency in forecasting accuracy.

Do not hesitate to be in contact should you have any questions.



Andrew Richards
Chief Executive Officer`