

AEMO ST PASA REPLACEMENT PROJECT - GENERATOR RECALL PROCESS

19 JULY 2024

INTRODUCTION

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 under AEMO's ST PASA Replacement Project - Generator Recall Process. This submission supports the submission made by Shell Energy on this matter. In addition to this, the EUAA emphasises the following points:

- We agree that there are potential significant benefits with the proposed rule change to change recall time from the current static "within 24 hours" to a single dynamic recall time provided by the generator for each Dispatchable Unit Identifier (DUID) every 30 minutes as part of a generator's ST PASA submission.
- However, AEMO is now proposing to change the single recall time to three recall time blocks (and available capacities at those times) every 30 minutes for "short recall time", "maximum capacity recall time" and "LOR2/3 recall time". While we can see that the change from a single static recall time to a single dynamic recall time every 30 minutes will likely have benefits that outweigh costs, we cannot see how having three recall time blocks will multiply the potential benefits of changing from a single static recall time to three dynamic recall time blocks.
- AEMO's proposed three recall time blocks is a significant administrative change for both the generators and AEMO, and is likely to place upward pressure on costs to consumers, with no justification or market benefits described by AEMO. We consider that:
 - It is likely that the available capacity and recall times provided by generators for the three recall time blocks requested by AEMO will be the same or so similar that the benefit will be outweighed by the cost.
 - AEMO needs to demonstrate the benefits to the market and consumers of having three recall time blocks.
- In addition, AEMO has not described how it intends to incorporate the single dynamic recall time into the ST PASA or PD PASA to improve market outcomes and therefore reduce costs to consumers, which it needs to do in proposing the rule change.
- Further, we remain concerned by the high number of LOR events forecast by AEMO that do not eventuate, and again call on AEMO to implement ex-post reviews of ST PASA and PD PASA against actual events. Having these ex-post reviews would likely provide the evidence required for AEMO to justify the proposed

rule change for recall times, including identifying whether single dynamic recall time blocks or three dynamic recall time blocks would provide the largest net-benefit to the market and consumers.

In summary, while we support, in-principle the proposed rule change to move from the current static recall time to a single dynamic recall time, we do not support AEMO's proposal to have three dynamic recall time blocks.

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



Andrew Richards
Chief Executive Officer