

AEMO ST PASA REPLACEMENT PROJECT - PROCEDURE CONSULTATION

14 MAY 2025

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 Short Term Projected Assessment of System Adequacy (AEMO ST Pasa Replacement Project - Procedure Consultation including the proposed *Short Term PASA Procedure* and the proposed Reliability Standard Implementation Guideline (RSIG).

At the EUAA, we support the design of rules, legislation and procedures that achieve efficient, cost effective and equitable outcomes for networks, developers and consumers. In the energy sector under most circumstances, this is best achieved through a national approach and a sharp focus on the NEO. From our perspective, this has not been achieved across the proposed ST PASA Replacement Project Procedure documents.

We understand that the current proposed changes to the *Short Term PASA Procedure* and the RSIG are the first of two consultations on the ST PASA Replacement Project. The ST PASA Replacement Project will result in:

- AEMO replacing the ST PASA engine following a series of power system incidents that highlighted that the existing PASA engine could not model the range of conditions required for AEMO to operate the power system securely and reliably.
- AEMO, through the Updating Short Term PASA rule change, has developed a principles-based framework, linked to a PASA objective, to guide AEMO's administration of ST PASA and govern the ST PASA process, and
- The objective of the ST PASA engine is to create a generation profile that meets the demand at each node in the National Electricity Market (NEM) network model.
 - Using a full network representation model of the power system taken from the real-time energy management system, the ST PASA uses planned network outages taken from the network outage scheduler (NOS), and
 - availabilities of scheduled resources (scheduled generating units, semi-scheduled generating units, scheduled bidirectional units, scheduled loads, scheduled network services, and wholesale demand response units) taken from NEM bids to undertake the assessment.

Changes to the *Short Term PASA Procedures*

Participant Inputs – PASA Availability and Recall information

We note AEMO's intention to continue to only use PASA availability and recall information for the purpose of AEMO situational awareness for Directions. We consider that PASA should be used to provide an additional and beneficial reporting stream for participants and AEMO through provision of an additional reliability assessment based on reported PASA availability and recall time of all participants. This would inform participants in "how" they might respond to ST PASA modelling.

Security Constrained Economic Dispatch

We recommend additional clarity be provided in the section with regards to the critical importance of the provision of bid prices and volume in price bands over the seven-day ST PASA period. This will be of critical importance in the effective and efficient assessment of dispatch from energy constrained resources.

Main Features of ST PASA Engine

The proposed *Short Term PASA Procedure* indicates that "demand used" will be the 50% probability of exceedance (POE) demand forecast plus uncertainty margin, we are concerned this will result in a reduction in transparency of the actual 50% POE demand forecast. We recommend that the 50% POE demand forecast and the uncertainty margin be retained as separate inputs into the ST PASA process.

We consider that the *Short Term PASA Procedure* should also set out inputs for PASA availability and recall time.

Supply Reliability Assessment and ST PASA Engine Runs

It is unclear from the proposed *Short Term PASA Procedure* if a further contingency event will be included in the reliability assessment process (i.e. further transmission or distribution contingencies) in determining the reliability assessment and how this may impact supply to individual nodes which may then flow through to LOR declarations for a zone in which this node is located. We recommend additional detail be included in this section of the *Short Term PASA Procedure* to further clarify AEMO's intent in this area.

Scheduled Resources

As indicated previously, we request AEMO provide an additional reporting stream which provides additional reliability assessment information based on PASA availability and recall time as part of the proposed Short Term PASA Procedure. This additional information has been proposed previously by several participants throughout the ST PASA Replacement Project Stakeholder Workshops and consultations. We would expect either its inclusion in AEMO's proposed *Short Term PASA Procedure* or explanatory notes for its exclusion.

We see the proposal for the ST PASA engine to allow all scheduled resources to be dispatched to zero MW as problematic. NER Clause 3.8.6 sets out that a scheduled generator's dispatch offer must contain a *self-dispatch level* for each trading interval, where the self-dispatch level is defined as;

“The level of generation in MW, as specified in a dispatch offer for a generating unit and a trading interval, which is the level at which that generating unit must be dispatched by AEMO in that trading interval unless otherwise dispatched in accordance with NER clause 3.8 or unless required to operate under a direction issued by AEMO in accordance with NER clause 4.8.9.”

We recommend that the ST PASA reliability assessment should utilize this self-dispatch level as the effective technical minimum loading level for large and less flexible scheduled generators to avoid declaring non-existent reliability issues.

Short Term PASA Output

The current proposed Short Term PASA Output seems to elevate zonal supply deficits up to a regional level. Given that the proposed reliability assessment is to be based on a zonal supply deficit, we consider any LOR declaration should be zonal rather than default to a regional LOR condition. Issuing a regional LOR declaration is insufficient to guide effective and efficient market responses to those nodes or zones where a reliability issue exists, it is critical that participants are able to understand if a market response from their resource(s) are able to improve the reliability assessment. Also, as mentioned several times in this submission, the ST PASA outputs should include a PASA availability and recall time reliability assessment to inform other participants of the local “nodal” conditions when preparing their response.

Changes to the *Reliability Standard Implementation Guideline (RSIG)*.

Short Term PASA

The proposed RSIG states that:

“Zones that contain regional reference nodes are also used to indicate the region is at risk of not meeting the reliability standard”

This would appear to again elevate a “nodal” issue to a “regional” issue on the basis of the regional reference node location. Both the proposed *Short Term PASA Procedure* and RSIG seem to conflate these two different approaches.

Additionally, the reliability standard is based on an annual unserved energy (USE) value as opposed to a short-term outcome. As such it is unclear how LORs in the ST PASA timeframe would equate to a risk of not meeting the reliability standard. The statement also ties the reliability standard to the regional reference node where unserved energy may not occur in the event the region does not meet the reliability standard.

As indicated previously in this submission, we recommend a further ST PASA reliability assessment run which considers both ST PASA availability and recall time within the ST PASA timeframe.

We are concerned that the proposed amendments to the RSIG fails to contain clear details regarding the declaration of lack of reserve conditions where the proposed *Short Term PASA Procedure* indicate this will be set out in the RSIG.

Energy constraints

The RSIG sets out the modelling methodology for bi-directional units which does not appear to align with the wording in the proposed *Short Term PASA Procedure*.

Post Submissions Technical Working Group Forum

We recommend that after submissions close for this consultation, AEMO undertake at least two technical meetings with the ST PASA Replacement Project Stakeholder Group. This request comes on the back of the many concerns raised by participants that appear to be missing from the current consultation with no indication that they will be covered in the next consultation (particularly where those topics are relevant to the current consultation). To undertake effective consultation, AEMO should be including for consideration and discussion all the issues raised to date by participants in the AEMO ST Pasa Replacement Project - Procedure Consultation document, whether or not those points are included in the *Short Term PASA Procedure* or RSIG documents.

CONCLUDING REMARKS

The EUAA is a small organisation with extensive knowledge of the operations of the energy sector, however we often need to prioritise our attendance and participation in consultations based on the size of the issue, the impact to our members, and our ability to influence the decision-making process.

Additionally, it is an expectation by participants taking part in consultation processes (whether in workshops, meetings or formal submissions such as this) that concerns and issues raised by participants will be properly considered by the party undertaking the consultation (in this case AEMO). That this does not appear to be the case, and that we are now raising these same points in this submission is disappointing.

The EUAA supports the design of rules, legislation and procedures that achieve efficient, cost effective and equitable outcomes for networks, developers and consumers. In the energy sector under most circumstances, this is best achieved through a national approach and a sharp focus on the NEO.

This has not been achieved in the ST PASA Replacement Project – Procedure Consultation documentation.

The EUAA welcomes further discussions around the issues raised in this submission.

Do not hesitate to be in contact with EUAA Policy Manager Dr Leigh Clemow, should you have any questions.



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