



27 June 2018

Mr Ben Blake
Australian Energy Market Operator
GPO Box 200
Melbourne VIC 3001

Dear Mr Blake

RE Congestion Information Resource Guidelines Consultation

ERM Power Limited (ERM Power) welcomes the opportunity to respond to the Australian Energy Market Operator's (AEMO's) Congestion Information Resource (CIR) Guidelines Consultation Issues Paper

About ERM Power Limited

ERM Power is an Australian energy company operating electricity sales, generation and energy solutions businesses. The Company has grown to become the second largest electricity provider to commercial businesses and industrials in Australia by load¹ with operations in every state and the Australian Capital Territory. A growing range of energy solutions products and services are being delivered, including lighting and energy efficiency software and data analytics, to the Company's existing and new customer base. ERM Power also sells electricity in several markets in the United States. The Company operates 497 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland.

www.ermpower.com.au

General comments

ERM Power supports the continued publication of all current information in accordance with the CIR guideline. We also believe a few minor amendments to the provision of information would offer benefits to participants and other interested parties. These are set out below.

Network Service Providers advice of planned outages

We note AEMO's proposal to require all Network Service Providers (NSPs) to provide information regarding all network outages which are planned to occur within the next 13 month period and which historically have had a material impact on network transfer in AEMO's Network Outage Schedule (NOS) as opposed to the current separate reporting systems used by some NSPs. We agree with AEMO's view that the NOS is the appropriate system for the notification of all network outage by NSPs to both AEMO and the Market.

However, given the speed with which additional generation is being connected to the network, and the impact this may have in changing the historical level of congestion associated with a network outage, we believe that NSP' should be required to undertake a forward looking assessment with regards to the potential for a network outage to lead to network congestion and where this may occur also include these outages in the NOS.

¹ Based on ERM Power analysis of latest published financial information.

Monthly and annual constraint reports

ERM Power believes there would be benefit for current and future participants if improved segregation of the types of constraints were included in both the tabular and graphical reporting features of the reports, in particular in the section regarding market impact. We believe the top 10 system normal and top 10 outage constraints and annual trends should be reported separately to the other forms of constraint equations as these are the more critical indicators of the impacts of network congestion in the NEM.

In addition, AEMO currently reports on outage submit times prior to outage start date in the Annual Constraints Report with one of the categories being submit times greater than 30 days. We believe a potential improvement to guide improvements in network outage planning by NSPs would be to change this reporting to greater than 30 days and less than 90 days and add a new category of greater than 90 days. This would then better highlight those NSP's that are attempting to advise network outages with submit times that provide benefits to the efficient operation of the market.

Information source pack for new connection enquiries

ERM Power believes there would be benefit for AEMO or the relevant NSP to supply to any new connection enquiries an information source pack prepared by AEMO for the CIR at the time an initial connection enquiry is lodged indicating the information contained in the CIR and how the information may be accessed. This would assist potential new NEM participants to better understand the potential for congestion in the network associated with alternative connection locations.

Conclusion

ERM Power supports the proposed change to require NSPs to report all network outages in the NOS. We have also suggested some further minor changes for AEMO's consideration which we believe would add benefit to the CIR for both current and intending participants.

Please contact me if you would like to discuss this submission further.

Yours sincerely,

[signed]

David Guiver
Executive General Manager - Trading

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