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National Electricity Amendment: System Restart Plan Release Provisions rule: Consultation

AGL Energy (AGL) welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC) Consultation Paper on the System Restart Plan Release Provisions rule change (the Consultation Paper).

AGL is one of Australia's largest integrated energy companies and the largest ASX listed owner, operator and developer of renewable generation. Our diverse power generation portfolio includes base, peaking and intermediate generation plants, spread across traditional thermal generation, battery storage and renewable sources. AGL is also a significant retailer of energy, providing energy solutions to approximately 3.6 million retail customers throughout the National Electricity Market (NEM).

AGL is committed to help shape a sustainable energy future for Australia. AGL believes that energy policy reform should focus on enabling transformation, driving productivity and unlocking growth. Enabling improvements in power system security and reliability is a core policy pillar of this reform agenda.

AGL understands the Consultation Paper proposes to amend the National Electricity Rules (NER) to provide the Australian Energy Market Operator (AEMO) with a broader ability to disclose information and data contained within a system restart plan(s). Such information provision would be released, at AEMO's discretion and without requiring owner consents, to certain parties for the purposes of preparing for, and participating in, system restoration activities.

AGL acknowledges the serious nature of a major disruption event to energy supply in the NEM. As an essential service, any extended delay to restoration works and generation has the potential to impact on reliable energy supply with substantial roll-on effects to the wider economy. Additionally, at the customer level, acute risks to life support customers exist, as well as the potential for temporary hardship and discomfort which could be intensified by the weather. The resumption of energy supply is therefore a serious issue which must be addressed as quickly and cost-efficiently as possible.

We broadly support the rule change as a mechanism to increase industry awareness and the operational efficiency of system restoration activities. AGL also agrees that increased coordination and industry



readiness will better position AEMO to manage these unique events. However, AGL believes that further clarity is required on a few issues covered by the proposal, including maintaining competitive operation of the System Restart Ancillary Services (SRAS) tender process. We encourage the AEMC to fully consider the below issues:

 <u>Information Disclosure</u> – AGL notes that information contained in a system restart plan is compiled from a range of sources, including generator local black start procedures, SRAS provider contracts and jurisdictional load shedding guidelines. The proposal outlined in the Consultation Paper indicates that AEMO should be provided with an 'express authority' to disclose information or data it determines necessary to disseminate.

While AGL supports the sharing of general operational information, including the identity of the contracted SRAS provider(s), it is not clear whether the information or data proposed to be released at AEMO's discretion and without consent, extends to commercial or other terms deemed confidential by the SRAS provider(s). It is also unclear whether the same information or data would be shared with all nominated parties in the Consultation Paper, and the frequency of these activities.

AGL does not believe that sharing commercial terms in SRAS contracts will provide a practical improvement in system restart operations. We consider that dissemination of private or commercial information or data, particularly without consent or knowledge, could impact future tender processes and discourage potential SRAS providers from further participation.

AGL therefore seeks clarity on these arrangements, and encourages the AEMC to ensure that suitable information and data sharing restrictions (including consent requirements, where necessary) remain in place.

 <u>Parties receiving System Restart Plan information</u> – AGL agrees it is important to distribute necessary information to promote industry awareness and readiness. In line with the Consultation Paper, we support potential disclosure by AEMO to the proposed parties where specific information is necessary to perform a regulatory function, offer a commercial service to the market, or to increase market knowledge of the system restart planning arrangement in each sub-network.

However, as above, we believe, that only necessary information should be made available to parties outlined in the Consultation Paper, and that this may mean some parties will be privy to greater levels of information than others. For example, AGL believes that SRAS providers should only have access to the information or data relevant to the sub-network in which they are contracted to provide SRAS services. Similarly, only high-level system restart details should be disclosed to 'other registered participants whose assistance is considered necessary by AEMO', and this information should not include commercially sensitive, private or operational detail, unless suitable information protective measures are in place.



• <u>Consequential changes to Procedures</u> – AGL seeks clarification on the types of procedural changes that may be required. We note that AEMO's rule change request does not provide any additional information.

AGL welcomes industry consultation on any changes to ensure that all impacts, including additional requirements on market parties, are considered.

If you have any queries about our submission, please contact Dan Mascarenhas on (03) 8633 7874 or DMascare@agl.com.au.

Yours sincerely,

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