



14th January 2021

Ms Merryn York
Acting Chair
Australian Energy Market Commission

Lodged via the AEMC website

Dear Ms York,

PROJECT ERC0313: Semi-scheduled generator dispatch obligations

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in renewable energy and energy storage along with more than 7,000 solar and battery installers. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC) draft determination on the Australian Energy Regulator's (AER) rule change request regarding semi-scheduled generator dispatch obligations. We support the draft rule presented by the AEMC as it reflects the policy intent of the rule change request lodged by the AER.

The AER conducted substantial industry consultation in the lead up to the lodgement of its rule change request with the AEMC. The semi-scheduled registration category is of key interest to the CEC and our membership and as such we engaged closely with the AER to ensure their desired policy intent was achieved while minimising disruption to the industry. We note the AER's position in its rule change request incorporates industry feedback provided through the AER's consultation process.

The CEC supports the draft determination presented by the AEMC to implement a MW dispatch target (for a non-semi-dispatch interval) or cap (for a semi-dispatch interval) subject to variations in resource availability. Implementing this change will ensure the Australian Energy Market Operator (AEMO) has the confidence dispatch instructions are being met and unexpected generator deviations are kept to a minimum across the National Electricity Market (NEM).

It is important to note that a critical element of the draft rule that must be maintained for it to be effective is the ability for semi-scheduled generators to generate to a target or cap subject to their variations in resource. Semi-scheduled generators rely on the natural resource available to them to provide energy into the market. This is managed by both generators and the market operator via the use of complex forecasting systems that are constantly assessing weather conditions to predict the output of semi-scheduled generators. Despite best efforts, these forecasts can be inaccurate and semi-scheduled generators can over-generate or under-generate. Without the rules allowing for generation subject to natural deviations in resource availability above and below a target, semi-scheduled generators in the NEM will only ever be generating up to the MW target or under the target, resulting in an average under-generation from all semi-scheduled generators.

During consultation with the AER, the CEC conducted analysis on the potential curtailment impacts of implementing a firm target, with no resource deviation allowed above the target, and found that that

the lost energy from solar farms would be approximately 3.2% of total energy production and 2.5% of total energy production for wind farms. This loss of production across the NEM would need to be replaced by more expensive and more emissions intensive generation, with the costs being passed on to consumers.

The CEC appreciates both the opportunity to comment on this consultation and the prior opportunity to provide input to the AER's process to formulate the rule change request. If you would like to discuss any of the issues raised in this submission, please contact Tom Parkinson, Policy Officer, on (03) 9929 4156 or tparkinson@cleanenergycouncil.org.au or myself, as outlined below.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lillian Patterson', written in a cursive style.

Lillian Patterson
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