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Shilpa Karri
AEMO
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By email: planning@aemo.com.au

Dear Ms Karri

re: Planning Studies – 2013 Consultation

ElectraNet would like to thank AEMO for the opportunity to comment on the input assumptions that will be used, for the National Transmission Network Development Plan (NTNDP) and also for the suite of planning documents AEMO publishes.

Planning and modelling forum

ElectraNet encourages an appropriate level of engagement and opportunity for feedback on the development of the NTNDP throughout the course of the year. As such, we are supportive of the Modelling and Planning forum AEMO is seeking to form across all stakeholder groups.

However, this forum should not be seen as a replacement for ongoing engagement between AEMO and TNSPs. Specifically, ElectraNet considers the early engagement and consultations around the 2010 NTNDP to have been a very valuable exercise and would request that such consultations occur again on an annual basis.

Accuracy and relevance of modelling assumptions

ElectraNet has found the AEMO publication of modelling databases to be of great benefit and encourages this to be continued.

ElectraNet has some concerns regarding the basis for some of the input assumptions that have been used in the 2012 NTNDP, and that AEMO proposes to use in the 2013 planning documents. Where these assumptions are implicitly linked to ElectraNet's transmission network, ElectraNet would like to see greater early engagement with AEMO to properly understand and agree on these inputs.

As an example, the build limits on wind farm development of 895 MW in Northern South Australia (NSA) and 495 MW in South East South Australia (SESA) are used by AEMO. These limits are consistent with ElectraNet's understanding of the capacity of the SA network to connect commercially viable wind farms with no new investment in transmission services beyond the incremental upgrade to the Heywood Interconnector.

However, ElectraNet would like to understand whether it might be economically efficient for additional investment in the transmission network to unlock renewable resources beyond these levels. The absence of a clear rationale for forcing these limits into the economic model potentially leaves some questions as to the reasonableness of AEMO's conclusion that network investment is not economic.

Additionally, capacity factors modelled and applied to wind farms should be reconciled with actual wind farm performance in specific locations to the extent that the data is available. Related to this, AEMO previously published actual generation capacity factors in the South Australian Supply and Demand Outlook (SASDO) which is no longer published; ElectraNet considers that this was a very valuable planning reference resource and should be made available again.

Connection point cost differences between the NEM regions assumed in the modelling also need to have their basis clearly explained in the NTNDP.

Scenarios including gas and carbon trajectories

ElectraNet would like to see a diverse range of future possible market scenarios investigated. ElectraNet considers that this is essential to providing market participants with information about different possible futures and the likely impacts of these futures on generation, demand and the transmission network, including clearly defining the events that may require future transmission investment.

ElectraNet supports AEMO's proposal not to annually publish results from each scenario following minor refreshing. This is a prudent decision given the costs of modelling. An alternative arrangement might be to model at least one scenario every year in more detail and rotate through a list of scenarios.

If AEMO does not choose to undertake detailed modelling for minor assumption changes, it is important AEMO quantify what changes are necessary to require a refresh of the outputs.

Current modelling techniques used to develop the NTNDP may be insufficient to quantify the true value of transmission congestion. For example, the omission of network outages in the modelling for the NTNDP overstates the capability of the network. This may be masking the true value of potential investments in the transmission network. It is also noted that AEMO does model generator outages. Preliminary analysis by ElectraNet of network outages in South Australia demonstrates the additional cost this adds to the cost of dispatching the market.

Additional comments

ElectraNet would also like to see some focus put on Murraylink in the 2013 NTNDP. The 2012 NTNDP did not identify any limitations associated with Murraylink's transfer capability over the planning horizon, yet operationally some issues are emerging. Similarly, other existing and emerging constraints would benefit from some more analysis, valuation and discussion.

Yours sincerely



Rainer Korte
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