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Ms. Nicola Falcon  
General Manager Forecasting  
Australian Energy Market Operator  
GPO Box 2008  
Melbourne Vic 3001

Sent by email: [energy.forecasting@aemo.com.au](mailto:energy.forecasting@aemo.com.au)

### **2020 Forecast Accuracy Report Forecast Improvement Plan Consultation**

The Major Energy Users (MEU) is pleased to respond to the AEMO forecasting accuracy report and Improvement plan consultation. The MEU notes that, due to time pressures and the large amount of consultation being sought by all of the energy market bodies, this response is quite brief and only targets the issues of most concern to the MEU.

#### **About the MEU**

The MEU was established by very large energy using firms to represent their interests in the energy markets. With regard to all of the energy supplies they need to continue their operations and so supply to their customers, MEU members are vitally interested in four key aspects – the cost of the energy supplies, the reliability of delivery for those supplies, the quality of the delivered supplies and the long term security for the continuation of those supplies.

Many of the MEU members, being regionally based, are heavily dependent on local staff, suppliers of hardware and services, and have an obligation to represent the views of these local suppliers. With this in mind, the members of the MEU require their views to not only represent the views of large energy users, but also those interests of smaller power and gas users, and even at the residences used by their workforces that live in the regions where the members operate.

It is on this basis the MEU and its regional affiliates have been advocating in the interests of energy consumers for over 20 years and it has a high recognition as providing informed comment on energy issues from a consumer viewpoint with various regulators (ACCC, AEMO, AEMC, AER and regional regulators) and with governments.

***8 Harker, Healesville, Victoria, 3777***

***ABN 71 278 859 567***

***[www.meu.asn.au](http://www.meu.asn.au)***

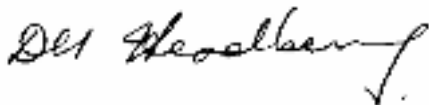
The MEU recognises the value of these forecasting tools and generally supports the wider thrust inherent into the report and proposed improvements. The MEU also acknowledges that the 2020 report exhibits clear improvements from previous years.

The MEU does however have a major concern with the AEMO approach to including intra-regional transmission outages (eg the loss of the line between Moorabool and Heywood and of the line between Upper and Lower Tumut and Sydney) and implying these acted as inter-regional outages. The MEU does not support AEMO increasing the inter-regional forced outage rates as a result of these intra-regional outages – this approach is not how the rules require the outcomes of intra-regional outages to be applied. Following the AEMO approach will have the impact of increasing forecast unserved energy (USE), with the outcome that consumers will face increased costs which are predicated on a spurious input.

The MEU considers that consumers and other stakeholders would be well served by AEMO having an independent review of the Forecast Accuracy Report (FAR) noting that this document has implications for the conclusions embedded in the Statement of Opportunities (ESoO). With the increasing importance of the ESoO in relation to the Retailer Reliability Obligation (RRO) having an independent review of the FAR and proposed improvements would provide greater confidence of stakeholders with the forecasts that are being made

The MEU is happy to discuss the issues further with you if needed or if you feel that any expansion on the above comments is necessary. If so, please contact the undersigned at [davidheadberry@bigpond.com](mailto:davidheadberry@bigpond.com) or (03) 5962 3225

Yours faithfully



David Headberry  
Public Officer