



# UFE Reporting Guidelines Consultation

Issues Paper

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New South Wales | Queensland | South Australia | Victoria | Australian Capital Territory | Tasmania | Western Australia

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## Executive Summary

The publication of this Issues Paper commences the first stage of the Rules consultation procedure conducted by AEMO to consider the proposed *UFE reporting guidelines* under the National Electricity Rules (NER).

AEMO has prepared this Issues Paper to facilitate informed debate and feedback by industry about the content of the *UFE reporting guidelines* to meet the objectives for 3.15.5B in the NER.

AEMO invites stakeholders to suggest alternative options where they do not agree that AEMO's proposed *UFE reporting guidelines* would achieve the relevant objectives.

AEMO also asks stakeholders to identify any unintended adverse consequences of the proposed *UFE reporting guidelines*.

Stakeholders are invited to submit written responses on the issues and questions identified in this paper by 5.00 pm (AEDT) on Friday 7 October 2022, in accordance with the Notice of First Stage of Consultation published with this paper.

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# 1. Stakeholder Consultation Process

As required by the NER, AEMO is consulting on the *UFE reporting guidelines* in accordance with the Rules consultation procedures in NER 8.9.

Note that there is a glossary of terms used in this Issues Paper at Appendix A.

AEMO's indicative timeline for this consultation is outlined below. Dates may be adjusted depending on the number and complexity of issues raised in submissions and any meetings with stakeholders.

Deliverable	Indicative date
Issues Paper published	8 September 2022
Submissions due on Issues Paper	7 October 2022
Draft Report published	18 November 2022
Submissions due on Draft Report	19 December 2022
Final Report published	27 February 2023

Prior to the submissions due date, stakeholders can request a meeting with AEMO to discuss the issues and proposed changes raised in this Issues Paper. Please request a meeting by emailing [NEM.Retailprocedureconsultations@aemo.com.au](mailto:NEM.Retailprocedureconsultations@aemo.com.au) with the details of your request.

## 2. Background

### 2.1. NER requirements

AEMO is required to produce Unaccounted for Energy (UFE) Trends Reports to provide information and analysis of UFE in each *local area* to facilitate the efficient decrease in UFE over time.

### 2.2. Context for this consultation

The National Electricity Amendment (Global Settlements and Market Reconciliation) Rule 2018 requires AEMO to publish, at least once a year, a report on UFE. AEMO is required, under NER 3.15.5B(d) and (e), to produce and consult on *UFE reporting guidelines* that set out AEMO's approach to preparing and publishing these reports.

In accordance with transitional provision NER 11.112.3(b), AEMO was not required to comply with the *UFE reporting guidelines* when preparing the report on UFE trends that was published on 1 June 2022. Subsequent UFE Trend Reports, however, must be prepared in accordance with the *UFE reporting guidelines*.

### 3. UFE Reporting Guidelines Proposal

In accordance with NER 3.15.5B, at least once each year, AEMO must in accordance with the *UFE reporting guidelines*, prepare and publish on its website a report setting out:

- AEMO's summary and analysis of the total unaccounted for energy amounts in each local area over the reporting period
- AEMO's analysis of the unaccounted for energy amounts in each local area in the reporting period against benchmarks determined by AEMO acting reasonably;
- AEMO's analysis of the sources of unaccounted for energy in each local area;
- AEMO's recommendations to improve visibility of unaccounted for energy in each local area; and
- AEMO's recommended actions to reduce the amounts of unaccounted for energy in each local area

The creation of the *UFE reporting guidelines* is the subject of this consultation. AEMO considers that the content of the *UFE reporting guidelines* forms the basis of UFE Trends Reports, as required under the NER.

#### Questions

- **Purpose and scope**

- **AEMO intends to publish each UFE Trends Report by 1 June each year covering a 12 month reporting period** (For the (year “x”) UFE Trends Report the reporting period is 1 May (year “x-1”) to 30 April (year “x”)).
  - **Q1.** Do stakeholders require a different reporting timeframe?
  - **Q2.** If so, what reporting timeframe is appropriate? What benefits will be realised through a different reporting timeframe?

- **Summary of analysis of UFE**

- Charts in this section provide a summary of the UFE calculation components for each local area. The current proposal is to provide UFE component charts for the current reporting period based on FINAL version metering data.
  - **Q1.** Should the corresponding charts for the previous reporting period also be included? If so, what benefits will be realised?

- **UFE benchmark analysis**

- AEMO proposes to publish the median, average, upper limit and lower limit UFE values as benchmarks for each local area per reporting period.
  - **Q1.** Is there a better methodology to determine benchmarking for a local area? If so, provide details of that methodology.

- **UFE source analysis**

- Areas of UFE source analysis are related to variables that modify metering data, as identified in section 4 of the Initial Draft UFE reporting guidelines.

**Questions**

- **Q1.** Are there other variables that modify metering data that should be included in the UFE reporting guidelines? If so, provide details of the other variables and their effect on metering data.
- **Q2.** Should the importance/effect of these variables be ranked? If so, which variables should be analysed initially?
- **Recommendations – UFE visibility improvements**
  - **Q1.** What are the benefits in reporting UFE values at a more granular level than at the local area? Noting that reporting at TNI level is not meaningful for local areas that have virtual TNIs.
  - **Q2.** Should the seasonal variance information be presented in another way? If so, how should this information be presented and what will be the benefits of presenting the information in this alternative way?
- **Recommendations – UFE reduction actions**
  - **Q1.** Are there other actions which should be explored to reduce UFE?
  - **Q2.** Who holds the information to support these actions?
- **UFE analysis supporting information.**
  - Additional information to support UFE analysis in each local area. These charts are:
    - UFE for the local area
    - UFE for the local area as a percentage of local area ADME
    - UFE for the local area by metering data version, i.e. Prelim, Final, Rev 1 and Rev 2.
  - **Q1.** Do the proposed charts, provide sufficient information, in conjunction with the charts in Section 2. to facilitate UFE analysis?
  - **Q2.** If not, which other additional information is required? Provide details of other additional information required and the benefits of providing the additional information.
  - **Q3.** Who holds the additional information?



## 4. Drafting for proposed changes

To help stakeholders and other interested parties respond to this Issues Paper, AEMO has published an initial draft of the *UFE reporting guidelines* for consultation. The initial draft version will be available at: <https://aemo.com.au/en/consultations/current-and-closed-consultations>

## Appendix A. Glossary

Term or acronym	Meaning
Local Area	The geographical area allocated to a Distribution Network Service Provider
UFE	Unaccounted for energy