

I wish to make a comment on the modelling undertaken for the GenCost reports, in particular the modelled capital cost trends of the various power generation technologies.

Any mathematical model requires making a number of assumptions. Whether these assumptions are accurate or not should be tested by some means or other. In the case of the predicted future cost of various generation technologies, actual cost data applicable to Australia has become progressively available particularly for renewable technologies.

As far as I can establish the annual GenCost reports have been issued now for some five or so years if one includes the latest draft report. Over this time there have been numerous generation projects installed in Australia and the cost of these projects is usually in the public domain. Therefore these actual costs can be used to compare with the modelled trend in cost over a time period of some 5 years. This period should be sufficient to determine how well the model results align with actual results and, if the need is indicated, adjustment to the assumptions used in the modelling can be made.

I have read most of the GenCost reports and I have not been able to find such a comparison between 'modelled cost' trends and actual cost trends. I believe such a comparison is necessary to support the suitability of the model framework and the assumptions used.

I would recommend that such a comparison be included in the final GenCost 2023-2024 report for those technologies where there is sufficient cost data available for such a comparison to be meaningful.

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