19 June 2019

Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Submitted by email to AERInquiry@aer.gov.au

Dear Mr Oakeshott,

RE: Draft Interim Forecasting Best Practice Guidelines

ENGIE appreciates the opportunity to comment on the Draft Interim Forecasting Best Practice Guidelines. ENGIE is a member of the Australian Energy Council (AEC), supports the associations submission, and makes the following additional comments.

In the main, ENGIE supports the AER draft methodology and urges the best practice methodology to include sufficient information to enable participants to understand and verify the Australian Energy Market Operator (AEMO) modelling as well as enabling participants to assess their own modelling scenarios.

Interpretation of modelling results by AEMO

Where modelling data such as the unserved energy is being reinterpreted to produce another metric, a full derivation of the methodology with supporting statistical analysis must be provided. For example, if the unserved energy profile is communicated as a loss of load probability (LoLP), a complete justification of the methodology and analysis of its "goodness of fit" must be provided. It is imperative that the new metric LoLP is consistent with the National Electricity Market reliability criteria. An obligation needs to be placed on AEMO to adhere to these requirements and AER should be responsible for verifying AEMO's methodology and interpretation.

Modelling methodology and input data

The choice of suitable methodologies and input data are critical when producing a meaningful forecast. For participants to have confidence in the forecasting process, the methodologies need to be well understood and the input data must be made transparent. Some of the specific elements are as listed below.

1. Detailed documentation for all parts of the forecasting process; especially any methods employed to grow energy and maximum demand profiles.

2. Detailed description of the modelling methodology (forecasts used, wind profiles and/or correlations adopted, number of modelling runs used, plant reliability modelling details).

3. Description of the techniques used to process output data and statistical methods employed.

An obligation needs to be placed on AEMO, and facilitated by the AER, to provide a full set of documentation for their modelling process.

Provision of model input data and configuration

ENGIE appreciates the need to maintain confidentiality around some modelling input data. However, ENGIE considers the ability to verify AEMO modelling and use a model for assessment of other scenarios as essential.

Model input data aggregation appears to be a reasonable compromise provided the data sets are assessed by AEMO to ensure that resultant modelling remain in line with the non-aggregated data modelling.

A variation of <10% of the unserved energy is considered reasonable, and AEMO must test data to ensure that it remains “fit for purpose” following the aggregation process.

An obligation on AEMO to provide the data and for it to remain representative within a stated limit is required.

Provision of model output data to participants

Participants need to have access to the full set of modelling output data to assist further assessment of market and reliability outcomes. Specifically, in the case of reliability modelling, data needs to presented as a time series for each modelling run and include individual generation and loads. This level of granularity is required to facilitate statistical analysis by participants.

Data could be supplied as flat files or in a database format agreed with the industry in a consultative process. Ideally the data should also be available using the existing Infoserver / MMS database infrastructure and processes.

ENGIE trusts that the comments provided in this response are of assistance to the AER Forecasting Best Practice Guidance consultation. Should you wish to discuss any aspects of this submission, please do not hesitate to contact me on, telephone, 0417 343 537.

Yours sincerely,

David Hoch
Regulatory Strategy and Planning Manager