

Indicative Extrapolation Input Data For 2024-25 Marginal Loss Factors

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A report for the National Electricity
Market





Important notice

Purpose

AEMO has prepared this document to provide indicative projections of generation to be used in the Marginal Loss Factor calculation for the 2024-25 financial year. The generation projections are indicative only.

AEMO publishes this document in accordance with clause 5.5.7 of the Methodology for Calculating Forward Looking Loss Factors (version 8.0). This publication is based on information available to AEMO at the time of publication.

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Version control

Version	Release date	Changes
1.0	31/10/2023	Initial Publication



1 Introduction

The National Electricity Rules (NER) require AEMO to determine inter-regional loss factor equations and calculated inter-regional and intra-regional loss factors each year, and publish the factors by 1 April for the financial year commencing on 1 July. The calculation is performed in accordance with the published Forward-Looking Transmission Loss Factors methodology (Methodology)¹.

AEMO uses historical generation dispatch profiles and forecast demand profiles as inputs to the loss factor calculation, then applies the minimal extrapolation process (as described in the Methodology) to the historical generation to produce forecast generation dispatch to ensure supply and demand is in balance.

Historical generation dispatch profiles might not accurately represent anticipated generation patterns, and could therefore result in marginal loss factors (MLFs) that are not representative of likely generation in the target year. To address this, clause 5.5.7 of the Methodology describes the process and conditions in which AEMO may use an adjusted generation profile proposed by a Generator in lieu of a historical generation profile for the MLF calculation.

AEMO has now published **indicative** historical and extrapolated generation forecasts for the 2024-25 MLF calculation. This information is provided to help Generators to identify whether the historical generation profiles and the extrapolated generation forecast produced in accordance with the Methodology is likely to be representative of expected generation dispatch for their plant in the 2024-25 financial year, and propose adjusted profiles if necessary.

2 Assumptions

The purpose of the indicative extrapolation study is to provide an indication of the generation forecast that will be used in calculation of the 2024-25 MLFs. The historical generation used for the purposes of this forecast is based on data from the 2022-23 financial year.

AEMO will continue to analyse and check these generation forecasts. Consequently, the final generation forecasts used in calculation of the 2024-25 MLFs may differ from those presented in this report.

This study incorporates the following simplifying assumptions:

- Scaled historical demand (regional %) from 2022-23 financial year for existing connection points loads (based on information available in the Electricity Statement of Opportunities (ESOO) 2023²).
- New loads considered are limited to significant transmission-connected loads (typically greater than 50 megawatts (MW)).

¹ AEMO. *Forward-Looking Transmission Loss Factors*, Version 8.0, effective 18 December 2020, at https://www.aemo.com.au/-/media/files/electricity/nem/security_and_reliability/loss_factors_and_regional_boundaries/forward-looking-loss-factor-methodology.pdf?la=en

² AEMO Electricity Statement of Opportunities, <https://aemo.com.au/en/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-and-reliability/nem-electricity-statement-of-opportunities-esoo>

- New generation projects are included dependent on their status in AEMO's Generation Information web page³, as published on 3 October 2023. Projects listed as committed⁴ (COM/COM*) and with a target commercial operation date that will result in generation within the target year are included.
- Generator capacities are based on those in the Generation Information update published on 3 October 2023
- Intra-regional limits as identified and incorporated into the 2023-24 MLF study, these limits will be reviewed prior to the final determination of the 2024-25 MLF outcomes which may result in revisions to existing limits and/or implementation of additional limits.
- Inter-regional limits as identified and incorporated into the 2023-24 MLF study except for Project EnergyConnect (PEC) as detailed below.
- PEC has been incorporated, as per the 2023 ESOO PEC is expected to have 150MW of capacity for 2024-25. This has been implemented as per the micro-slice model and as such a 150MW increase to VIC-SA.

To calculate the indicative 2024-25 extrapolated generation forecast, AEMO included the following new projects (not registered at the time of the study):

- Queensland – Clarke Creek Wind Farm, Kidston Pumped Hydro, Wambo Wind Farm.
- New South Wales – Broken Hill BESS, Kurri Kurri OCGT, Riverina Solar Farm, Stubbo Solar Farm, Walla Walla Solar Farm, Waratah Super Battery, Wellington North Solar Farm, Wollar Solar Farm.
- Victoria – Glenrowan Solar farm, Golden Plains Wind Farm, Hawkesdale Wind Farm, Range Bank BESS, Wunghnu Solar Farm.
- South Australia – Goyder South Wind Farm Stage 1B, Mannum Solar Farm 2.
- Tasmania – None.

3 Results

The results of this study are provided as a separate spreadsheet on AEMO's website with this report⁵. The results provide the following information in relation to scheduled generating units:


- Historical generation, as monthly energy for each Transmission Node Identifier (TNI) from the 2022-23 financial year.
- Forecast generation, as monthly energy for each TNI for the 2024-25 financial year based on AEMO's indicative extrapolation study.

AEMO has modelled Basslink flows at the historical figure of approximately 865 (at received end) gigawatt hours (GWh) net flowing from Victoria to Tasmania.

³ At <http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Planning-and-forecasting/Generation-information>.

⁴ Committed (COM) projects meet all five of AEMO's commitment criteria (relating to site, components, planning, finance, and date). Committed* (COM*) projects are classified as Advanced, have commenced construction or installation, and meet AEMO's site, finance, and date criteria, but are required to meet only one of the components or planning criteria.

⁵ At <http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Security-and-reliability/Loss-factor-and-regional-boundaries>.



The generation forecast used in calculation of the final 2024-25 MLFs is likely to change from the 2024-25 indicative extrapolated generation forecast published with this report. Reasons for change may include, but are not limited to:

- Revised forecast demand profiles will incorporate connection point level adjustments (rooftop PV, industrial loads, future loads, load transfers, etc.)
- Additional generation projects achieving committed status in AEMO's Generation Information publication.
- Generation local to Tasmania may require adjustments given anticipated outcomes as per 5.5.2 of the Methodology. Alternatively, changes may be made to Basslink flows where deemed to reflect the likely outcome within the 2024-25 financial year.
- AEMO's acceptance of any adjusted generation profiles provided by Generators in accordance with the Methodology.
- Revised Medium Term Projected Assessment of System Adequacy (MT PASA) inputs.
- Revised or additional intra-regional transmission limits.
- Revised or additional inter-regional transmission limits.
- Revised network model incorporating future augmentations.
- Other updated sources of information that may be used for the final 2024-25 MLF calculation.
- Implementation of minimum stable generation limits.

The results of this study are provided as a separate spreadsheet on AEMO's website with this report⁶. The results provide the following information in relation to scheduled generating units:

- Historical generation, as monthly energy for each Transmission Node Identifier (TNI) from the 2022-23 financial year.
- Forecast generation, as monthly energy for each TNI for the 2023-25 financial year based on AEMO's indicative extrapolation study.

4 Submission due date

Registered Generators may submit proposed adjusted generation profiles for the 2024-25 MLF calculation to mlf_profiles@aemo.com.au, in line with clause 5.5.6 of the Methodology.

AEMO will then consider whether to accept any proposed adjustments for the 2024-25 MLF calculation. Generators should carefully consider the requirements and conditions for acceptance in clause 5.5.6 before making submissions.

The due date for submission of proposed adjusted generation profiles is 17 November 2023. AEMO may not be able to consider submissions received after the due date.

⁶ At <http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Security-and-reliability/Loss-factor-and-regional-boundaries>.