

Libby Chen Australian Energy Market Operator

27 February 2024

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Proposed Procedure Change (PPC) – GSOO Procedures

Alinta Energy welcomes the opportunity to comment on the AEMO's consultation for the implementation of the AEMC's Hydrogen review. Our submission relates specifically to section 3.1 of the PPC and the reporting threshold enshrined in section 3.6.1 of the GSOO Procedures.

Section 3.6.1 of the GSOO Procedures currently requires a participant to update AEMO wherever there has been 'a material change to the information in its GSOO survey response' with no corresponding definition of materiality. This requirement in its current form is not workable for participants and AEMO and has a number of shortcomings:

- It is not practicable. Participants cannot assess the materiality of their own information. Only AEMO can do this, as it has both the forecasting expertise as well as access to other information from other participants that, in isolation, may not be material, but combined, have an appreciable impact on GSOO conclusions. This creates unnecessary burden on participants while also creating a risk that information will not be supplied to AEMO based on a subjective assessment of non-materiality.
- 2. It leaves participants in a perpetual state of uncertainty with respect to compliance with the GSOO Procedures.
- 3. If left to participants to determine materiality, each participant will interpret this differently depending on their own portfolios and risk appetite. This will lead to data integrity issues for AEMO and potentially lead to incorrect GSOO conclusions.

Alinta Energy recommends that AEMO consider removing the requirement to provide ad hoc updates to the GSOO survey response based on a subjective assessment of materiality, and consult in its Impact and Implementation Report on the possible implementation of one (or a combination of) the following:

- 1. Participants update AEMO at pre-defined times.
- 2. Participants update AEMO on request.
- 3. AEMO provide objective reporting thresholds for updates to key items of the GSOO survey. Note that such thresholds are likely only relevant or applicable to producers, since change in GSOO survey data from downstream participants is more likely to reflect churn or changed commercial relationships rather than a fundamental physical change that is relevant to the GSOO.

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We propose that the above options should be considered with the following principles in mind:

- 1. Participants should have certainty about whether they are compliant with relevant requirements.
- 2. Information should only be required where it will lead to the additional publication of information for that year's GSOO. If updated information from a participant is not likely to lead to an interim update to the GSOO (whether because of the nature of the information itself, or the timing at which it will be provided (for example for updates near to the time that the following year's GSOO survey)).
- 3. The burden and associated costs of compliance should be weighed against the likely benefit to users of the GSOO.
- 4. To the extent possible, data provision timelines should be consistent, allowing for participants to plan and allocate resources.

If you have any questions regarding this submission, please contact Hugh Ridgway (<u>Hugh.Ridgway@alintaenergy.com.au</u>).

Yours sincerely

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