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Australian Energy Market Operator  
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### **2019 Planning and Forecasting Consultation Paper**

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (**MEA Group**) thank the Australian Energy Market Operator (**AEMO**) for the opportunity to provide comments on the 2019 Planning and Forecasting Consultation Paper (**Paper**).

The MEA Group is a vertically integrated generator and retailer focused entirely on renewable generation. We opened our portfolio of generation assets with the Mt Millar and Mt Mercer Wind Farms. Subsequently, in early 2018 we acquired the Hume, Burrinjuck and Keepit hydroelectric power stations, further expanding our modes of generation. We have also supplemented our asset portfolio by entering into a number of power purchase agreements with other renewable generators, and through this investment in new generation we have continued to support Australia's transition to renewable energy. MEA Group has also been active in supporting community energy initiatives, including providing operational and market services for the community-owned Hepburn Wind Farm, supporting the Warburton Hydro project, and funding a large range of community and social enterprise local energy projects through our Your Community Energy program.

With respect to MEA Group's retail side, we also own and operate Powershop Australia, an innovative retailer committed to providing lower prices for customers and which recognises the benefits to customers in transitioning to a more distributed and renewable-based energy system.

MEA Group welcomes the opportunity to comment on AEMO's planning and forecasting inputs, scenarios and assumptions for use in AEMO's Integrated System Plan (**ISP**) and National Transmission Network Development Plan (**NTNDP**). MEA Group recognises that the ISP and NTNDP are strategically important reports to guide system planning and investment as the Australia's generation mix evolves.

Our comments on the Paper address the scenario approach, inputs and assumptions at a high level. MEA Group believes the focus of all modelling, inputs and scenarios should centre on building a reliable and efficient electrical system against credible demand projections based on both known and expected technological costs.

Establishing a transparent and consistent scenario framework is a sensible approach to forecasting and planning. The scenario dimensions outlined in the Paper adequately address the range of the impacting parameters, however there is no indication of the likelihood of each scenario playing out. Applying a weighting against these scenarios would be useful for planning purposes. Further, understanding the interrelationship between scenario dimensions within the scenario cases would help determine how the parameters interact with one and other, for example, in a neutral scenario, is a high DER uptake likely to lead to low energy demand? MEA Group is supportive of the use of a consistent approach and framework acknowledging changing outlooks.

A key component of the ISP was to identify Renewable Energy Zones (**REZ**) to assist investment decisions for new renewable developments. Identifying REZ is useful to guide industry investment however, large changes in marginal loss factors over time can quickly erode the commercial viability of projects. MEA Group suggests that modelling of

REZ should include full forward looking loss factor methodology as is applied under the NER. This would help ensure new investment in the NEM is efficiently allocated.

If you have any further questions please do not hesitate to contact me.

Yours sincerely



**Justin Mulder**  
Head of Energy Markets  
Meridian Energy Australia and Powershop Australia