



# Reliability Forecast Guidelines

Final report – Standard consultation for  
the National Electricity Market

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## Executive summary

The publication of this Final Report and Determination (Final Determination) concludes the Rules consultation process conducted by AEMO to finalise the Reliability Forecast Guidelines as required under National Electricity Rules (NER) 4A.B.4.

The Final Determination of the Guidelines accompanies this Final Report.

No relevant submissions were received in the second stage of consultations. As a result, AEMO will proceed with the changes it proposed in the Draft Report following the first stage of feedback. This report reflects the submissions received during the first stage of feedback.

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# 1. Stakeholder consultation process

AEMO must maintain its Reliability Forecast Guidelines in accordance with National Electricity Rules (NER) 4A.B.4. Apart from any minor or administrative changes, any revisions must be consulted on in accordance with the Rules consultation procedures set out in NER 8.9. The Australian Energy Regulator's (AER's) Forecasting Best Practice Guidelines<sup>1</sup> (FBPG) require AEMO to consult on these guidelines at least once every four years.

This final report concludes AEMO's consultation on the Reliability Forecast Guidelines.

Note that this document uses terms defined in the NER, which are intended to have the same meanings in this report. AEMO's process and timeline for this consultation are outlined below.

**Table 1 Consultation process and timeline**

Consultation steps	Dates
Notice of first stage consultation and Issues Paper published	5 January 2024
First stage submissions closed	5 February 2024
Draft Determination and Notice of second stage consultation published	28 May 2024
Submissions due on Draft Determination	26 June 2024
Final Determination published	5 August 2024

<sup>1</sup> <https://www.aer.gov.au/system/files/AER%20-%20Forecasting%20best%20practice%20guidelines%20-%2025%20August%202020.pdf>

## 2. Background

### 2.1. Context for this consultation

AEMO is required to publish Reliability Forecast Guidelines (Guidelines) to meet the requirements under NER 4A.B.4. The previous consultation on the Guidelines was undertaken in 2020 for Guidelines published in August 2021. AEMO is required to consult on all of its methodologies at least every four years, in line with the Forecasting Best Practice Guidelines.

### 2.2. The national electricity objective

Within the specific requirements of the NER applicable to this proposal, AEMO will seek to make a determination that is consistent with the national electricity objective (NEO) and, where considering options, to select the one best aligned with the NEO.

The NEO is currently expressed in section 7 of the National Electricity Law (NEL) as:

*to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to:*

- (a) price, quality, safety, reliability and security of supply of electricity; and*
- (b) the reliability, safety and security of the national electricity system; and*
- (c) the achievement of targets set by a participating jurisdiction—*
  - i. for reducing Australia's greenhouse gas emissions; or*
  - ii. that are likely to contribute to reducing Australia's greenhouse gas emissions.*

### 3. List of material issues

AEMO did not receive any relevant submissions to the second stage of this consultation process.

Two submission were received during Stage 1 which were detailed in the Draft Report. The key material raised in the submissions are summarised in the following sections

#### **Calculation of the one-in-two peak demand forecast:**

Stakeholders provided feedback that the one-in-two peak demand forecast would be influenced by:

- The consideration of electric vehicle operation, including charging and vehicle-to-grid opportunities,
- The consideration of demand side participation firmness, and
- The inclusion of supply-side variables within the one-in-two peak demand forecast.

Details of the submissions, and AEMO's reasoning for its proposed response are detailed in the Draft Report. AEMO concluded that it should retain the proposed methodology for the calculation of the one-in-two year peak demand forecast value. It did not receive further feedback on this position

#### **Forecast of DSP in demand forecast**

A stakeholder identified that the DSP forecast may not be reasonable if it only reflected historical data, given the rapid evolution of this sector. The stakeholder suggested a more regular review cycle should apply for it. AEMO noted that it does receive projections of DSP information, and that AEMO will continue to review and update methodologies relating to DSP as needed, including potential for reviews more frequent than the minimum four-yearly cycle.

#### **Minor and administrative changes**

AEMO proposed that the Reliability Forecast Guidelines remained fit for purpose and that only minor updates were required. One stakeholder agreed with this, recognising that they continue to be fit for purpose.

## 4. Conclusion

AEMO has released the final copy of the guidelines along with this final report. The guidelines incorporate AEMO's changes taking into consideration the feedback received.