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AEMO

Submitted via email to: mlf_feedback@aemo.com.au

Submission on AEMO's Forward-looking Transmission Loss Factor Methodology

TotalEnergies Renewables Australia welcomes the opportunity to provide this submission to AEMO's consultation on AEMO's issues paper on the forward-looking loss factor calculation methodology published on 5 July 2024.

TotalEnergies Renewables Australia is a subsidiary of TotalEnergies. TotalEnergies is a major multi-energy company, operating in more than 130 countries. TotalEnergies has more than 105,000 employees and covers all renewables technologies, all major regions (Americas, Europe, Asia, Africa) and all stages (development, construction, operation, and maintenance). From 300 MW of installed operational renewable capacity in 2017, TotalEnergies has now more than 10 GW of operational renewable assets. TotalEnergies' ambition is to be one of the world's top 5 renewable energy players by 2030 by reaching 100 GW gross capacity.

TotalEnergies Renewables Australia operates the 200 MW Kiamal Solar Farm and 190 MVA Kiamal synchronous condenser located near Ouyen, Victoria.

We agree that the FLLF process should be transparent and simple. As a market participant, we are exposed to the impact of unpredictable changes in the year-on-year MLFs and have outlined feedback in this document about proposed changes to the methodology to be applied in the 2025-26 FLLF year. We appreciate the amendments proposed but would like AEMO to be cautious with rolling out major changes quickly as they may create further uncertainty for market participants.

Generation data

Committed generation classification

We support the current usage of project status classifications however note a few examples where generators are delayed in commissioning, yet are included in MLF estimates for the next year. A level of judgement should be exercised to discern whether the generating unit will genuinely be in operation for the year in full, or at a partial capacity before including the relevant generating unit in the FLLF calculation methodology.

We do not support the inclusion of anticipated projects into the FLLF methodology without extension of the years modelled. To allow market participants to prepare for year-on-year changes, perhaps a look-ahead with expected network augmentations and all anticipated projects could be completed by AEMO for 3 years in the future.

Supply-demand balance

We agree that the current configuration of minimal extrapolation levels needs to be changed and that the number of levels should be expanded to account for technology types separately. We also agree that mingen should be considered differently for the coal fleet and appreciate the move from TPRICE to NEMLF allowing for this.

We see the value of solving and applying the same ratio for balancing cluster groups. We request that AEMO provides greater transparency around this approach, as the process develops, as we cannot see how the distribution factors will be derived and applied, as well as how the cluster definition will impact our MLF across the year. Does AEMO assume that distribution factors are the same or separate to existing constraint coefficients? Are the clusters constraint specific or fixed? We acknowledge there are regions in the NEM where this approach will work well, but on the other hand see areas like SWNSW and NW VIC, where this may further complicate the MLF process.

We would be keen to engage with AEMO when determining guidelines on where it is appropriate to use cluster definitions. Similarly, as previously discussed with AEMO, we would like to understand why an outcome of supply/demand modelling, i.e. negative prices, cannot influence the MLF outcome. The outcome where a renewable generator receives a lower MLF due to the modelling ignoring negative prices in addition to experiencing additional lost generation due to bidding to avoid negative prices does not support the build out of future renewable generation.
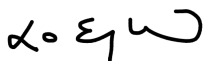
With regards to storage, we agree that the process will become outdated quickly with the growth of BESS development in the NEM. In the same way that renewables are modelled using the previous year's generation profile, the loss factor of BESS can continue to be modelled based on historical operating behaviour. For 2025-26 we note that this will apply the generation profiles of 2023-24. Broadly we have concerns with the application of the generation profile of the year prior being used as it is a year out of date by the time the generator receives an MLF that reflects it. If this process is continued, we would appreciate a review prior to the publication of final MLFs that assesses and compares the MLF for 2025-26, if the 2024-25 generation/load profiles were applied, rather than the full generation/load profiles of 2023-24 year.

Minor and administrative changes

We appreciate the proposed release of the historical semi-scheduled generation data to be used as an input to the minimal extrapolation calculations. This provides greater transparency which is welcomed in this process.

If you have any questions on this submission, please feel free to contact Louise England or Trevor Lim via louise.england@totalenergies.com or trevor.lim@totalenergies.com.

Yours sincerely,

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Louise England
Manager, Markets & Policy

Submitted on behalf of TotalEnergies Renewables Australia Pty Ltd