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EnergyAustralia

LIGHT THE WAY

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Consultation on automation of negative residue management for the implementation of transmission loops – Consultation Paper – 13 June 2025

EnergyAustralia is one of Australia's largest energy companies with around 2.4 million electricity and gas accounts across eastern Australia. We also own, operate and contract a diversified energy generation portfolio across Australia, including coal, gas, battery storage, demand response, wind and solar assets, with control of over 5,000MW of generation capacity.

We support AEMO considering possible enhancements to the Negative Residue Management (NRM) process alongside revisions that are necessary to accommodate the integration of Project EnergyConnect.

We consider that issues with the existing NRM process should be addressed before loop flows commence. The current NRM procedure is already complicated and problematic, and if not fixed, could result in unexpected behaviours when loop flows commence.

Our specific feedback is as follows:

- In relation to cycling, the proposal to use a non-zero clamping target should work in theory. At the worst case, residues would still accumulate at a non-negligible rate i.e. 20MW multiplied by the market price cap. We would therefore support monitoring and if necessary revising the 20MW value. We also support AEMO using a graduated release and as noted by AEMO the release criteria and levels require further study.
- We support aligning the calculation of residues to a 5-minute settlement basis instead of 30 minutes. It is not clear to us whether the legacy 30-minute calculation has persisted intentionally or was an oversight.
- The use of pre-dispatch data in the final dispatch interval should be stopped. The pre-dispatch price and flow are inaccurate, especially in times of extreme price separation and forced flows. However, some further consideration is required regarding the exit criterion, particularly if residues become zero or positive at the end of the half hour.
- Another issue that is not mentioned in the document is the NRM being swamped out on the back of the "Price Revision" column in the negative residue table. This

"Price Revision" column refers to a threshold in price change and interconnector flow change. This logic needs to be reviewed if still appropriate.

If you would like to discuss this submission, please contact me on 03 9060 0612 or Lawrence.irlam@energyaustralia.com.au.

Regards

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