# TERMS OF REFERENCE

# Forecasting and Planning Reference Group (FPRG) 2017

## Background

In February 2016, AEMO convened the first Forecasting Reference Group (FRG) with interested industry stakeholders. The group's aim was to share expertise and facilitate the continued development and accuracy of AEMO's gas and electricity forecasts. A range of forecasting related topics were discussed, with a particular focus on AEMO's two main forecasting publications, the National Electricity Forecasting Report (NEFR) and the National Gas Forecasting Report (NGFR). This included input on assumptions and methodology, validating draft results, and gaining feedback on published material.

In April 2016, AEMO also convened the first National Transmission Network Development Plan (NTNDP) Technical Working Group to facilitate discussion on market modelling and strategic network planning as part of a consultation requirement.

AEMO has decided to combine these two stakeholder groups to enable a more holistic discussion of forecasting and planning issues. These stakeholder sessions will help AEMO provide a more complete energy view, integrating gas and electricity insights.

## Group objectives

- Share expertise and facilitate the continued development and accuracy of AEMO's gas and electricity forecasts, procedures, and planning developments. Provide the opportunity to raise and address issues related to the changing space of energy which affects forecasting and planning.
- Provide the opportunity for feedback on 2016 and 2017 publications.
- Allow for better information sharing between AEMO and industry.
- Facilitate discussion on technical matters relating to the National Transmission Network Development Plan (NTNDP).

DRAFT

February 2017

# Functions

The Forecasting and Planning Reference Group will:

- Provide a forum for interested parties to consult and consider issues relating to a National Energy Outlook that encompasses elements of the following energy publications:
    - National Gas Forecasting Report (NGFR)
    - National Electricity Forecasting Report (NEFR)
    - Electricity Statement of Opportunities (ESOO)
    - Gas Statement of Opportunities (GSOO)
    - National Transmission Network Development Plan (NTNDP) (See Attachment 1)
    - Other forecasting and planning related topics.
- Provide the opportunity for input, feedback, validation and confirmation on scenario inclusions, impact to stakeholder businesses, provision of data timing considerations and information delivery.
- Assist AEMO to improve capability to provide valuable and timely insights to industry by providing input on issues industry is facing.
- Collaborate on technical aspects of assumptions, methodologies, modelling and technologies.
- Make and consider submissions related to developing forecasting and planning procedures that are under formal consultation.
- Formally record the attendance and discussions at each meeting.
- The Forecasting and Planning Reference Group is not a decision making body.

# Participation

The FPRG is an open forum for all interested industry and government stakeholders who may attend and participate.

AEMO highly values the opportunity to share expertise and explore new approaches to addressing the challenges of forecasting and planning in a rapidly changing energy industry.

# Meetings

Meetings will typically be held on the second last Tuesday of the month, in the afternoon.

**Month and facilities:**

**(Please see monthly agenda for more information)**

| Date | Location |
|---|---|
| 21 February 2017 | AEMO Offices and Teleconference |
| 21 March 2017 | AEMO Offices and Teleconference |
| 18 April 2017 | AEMO Offices and Teleconference |
| 23 May 2017 | AEMO Offices and Teleconference |

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| 20 June 2017 | AEMO Offices and Teleconference |
| 18 July 2017 | AEMO Offices and Teleconference |
| 22 August 2017 | AEMO Offices and Teleconference |
| 19 September 2017 | AEMO Offices and Teleconference |
| 24 October 2017 | AEMO Offices and Teleconference |
| 20 November 2017 | AEMO Offices and Teleconference |
| 19 December 2017 | AEMO Offices and Teleconference |

**Locations:** AEMO Offices:

Adelaide – Level 9, 99 Gawler Place, Adelaide, SA

Sydney – Level 2, 20 Bond Street, Sydney, NSW

Melbourne – Level 22, 530 Collins Street, Melbourne, VIC

Brisbane – Level 10, 10 Eagle Street, Brisbane, QLD

Perth – Level 17, 197 St Georges Terrace, Perth, WA, 6000

## Administration

AEMO will prepare and distribute all meeting correspondence via email.

AEMO will endeavour to provide interested stakeholders with:

- An agenda 5 business days prior to the meeting.
- Relevant meeting papers 5 business days prior to the meeting.
- Draft minutes 5 business days after the meeting.

## Resourcing

AEMO will provide chair and secretariat services to the FPRG. FPRG will need to work with AEMO to prioritise actions. AEMO will make the final decision on the level of resourcing available.

To avoid doubt, any expenses incurred as a result of attending meetings or activities associated with the FPRG are at the expense of the representative's employer.

For more information: energy.forecasting@aemo.com.au

# TERMS OF REFERENCE

## Attachment 1

# National Transmission Network Development Plan (NTNDP) Consultation

### BACKGROUND

The National Transmission Network Development Plan (NTNDP) provides an independent, strategic view of the long-term development of the national transmission grid over a 20 year planning horizon under a range of credible scenarios.

This assessment combines two key modelling outlooks:

- The generation outlook, which projects the location and timing of new generation additions and withdrawals. This outlook focuses on efficient development to meet forecast demand, minimising the total generation and transmission grid investment costs over the next 20 years.
- The transmission outlook, which analyses likely constraints and congestion points in the transmission grid under the assumed load growth and generation outlook results. It also identifies technically feasible network and non-network options to maintain reliability of supply and power system security.

The generation and transmission outlooks are co-optimised in order to minimise overall costs. In doing so, new generation is assumed to be located efficiently, considering spare network capacity, network connection costs and the quality of local wind and solar resources (or availability of fuel sources for thermal plants).

Both outlooks utilise a range of data inputs and modelling assumptions. AEMO sees great benefit in engaging with a range of stakeholders with expertise in modelling such outlooks in practice to ensure that the final inputs and assumptions used in the NTNDP are well-reasoned and appropriate.

### SCOPE AND OBJECTIVES

When the Forecasting and Planning Reference group discuss the NTNDP, the objective will be to facilitate discussion on technical matters such as:

- Credible scenarios that will test the development requirements of the transmission network to efficiently maintain system security and reliability.
- Market simulations for co-optimisation of generation, network and non-network investment.
- Long term power system planning studies to understand the strategic development of both network and non-network infrastructure.
- Co-ordination between national and local network issues.

Outcomes from these discussions will help AEMO develop the NTNDP elements to ensure they deliver as much value as possible to all stakeholders.