25 June 2021

AEMO

Dear AEMO,

FRG CONSULTATION - LONG TERM BUSINESS MASS MARKET (BMM)

We would like to submit the following comments in relation to your recent consultation paper:

a) Is it appropriate to use a method which can reflect sectoral energy use? Is the use of energy intensity suitable for that purpose?

Yes, we believe it would be prudent to find a method that will represent sectors of the business market and their energy use. Although we cannot currently confirm that energy intensity will adequately represent some of the growth sectors, such as data centres, or accurately reflect the needs of new greenfield or brown field developments. Furthermore, it is important to recognise that sector specific considerations will not necessarily drive a net reduction in infrastructure requirements in an area. Spatial factors are critical to any assessment, as new development or increased energy intensity will not always occur in areas where energy usage has previously declined. Even in the cases where this has occurred, the existing network may need extensive modification to meet customer needs. We would like to see further information on this topic and how AEMO intend to reflect these nuances.

b) Should the model allow energy intensity to change as a function of time, thus allowing bottoming out, plateauing, step changes or other shapes to occur where the inputs, assumptions and scenarios describe them?

Yes, we believe that allowing for a plateauing or bottoming out is crucial to be able to fully represent the future energy usage of industries.

c) Given that scenario narratives don't detail energy use of all sectors individually, is it appropriate to apply a dispersion in the manner described, or are superior alternatives available?

We believe that all attempts should be made to gather energy usage data for individual industries before utilising a dispersion technique.

d) Should, and how might, the Multi-sector modelling results or other studies be used to validate the BMM forecasts?

We would encourage further research into the sectoral approach and would like to assist with data where we can.

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We welcome the opportunity to discuss this submission with you. Please contact Neil Gascoigne on 03 9683 4472 or ngascoigne@powercor.com.au.

Yours sincerely,

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