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Energy Security Board
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To whom it may concern,

Access Initiation Paper | Consultation response | Transmission and Access reform

Edify Energy (**Edify**) is pleased to make this consultation response to the Energy Security Board (**ESB**) as part of its assessment of Transmission and Access reform. This response is made in support of our submission during the Post 2025 consultation process where we proposed an alternative mechanism for congestion management termed the Congestion Relief Market (**CRM**). While there has been strong support for this concept, primarily for its focus on relieving congestion in operational timeframes, a number of market participants have expressed a desire to see increased levels of protections for incumbents.

Edify supports the CEC in its submission to this process with regards to its stated preferences for a softer, voluntary approach to regulation in the investment timeframe. Edify cautions stakeholders to reconsider support for market intervention style mechanisms which seek to implement locational 'capacity caps' in open-access regions, where a central body is given the power to prevent a project proponent from connecting to certain locations. Regulation that seeks to protect incumbents in such a way may inadvertently do so at the cost of competition, innovative business models and technology, such as the deployment of storage, or the mobilisation of demand and industry (including for the production of hydrogen), which may detrimentally impact total costs to consumers. In this submission we offer alternative suggestions to better inform renewable energy, storage and industrial project proponents in making efficient decisions to locate and innovate.

A key downside impact of congestion is on eroding MLFs of correlated generation profiles. Electrical losses are not static over time and vary with operational conditions such as real and reactive line loadings. Although we support the continuation of this market mechanism, making profiled loss factor data public and more accessible, on a historic half hourly or five-minute basis (as computational practicalities dictate), against each transmission network connection point (and each distribution network connection point where possible), appears to be a simple and low-cost method to assist project proponents in assessing locational congestion in the investment timeframe. Doing so provides proponents with deeper insights into the locational and time-varying profile of losses, informing innovation in the shape of generation profiles,



including the potential optimisation of load profiles. The natural medium for public access to this data is the fit-for-purpose Electricity Market Management System.

A relatively simple process to formalise a raised awareness of congestion risks can be implemented by requiring project proponents, prior to receiving 5.3.4A / B letters from AEMO, to confirm that they have completed and cited a risk assessment (that complies with a prescribed standard) of congestion impacts at their relevant connection point. Iberdrola has also made suggestions in various forums around Transmission Network Service Providers preparing a regular “Network Statement of Opportunities” to compliment their annual transmission planning reports, with a stronger focus on supporting locational investment decisions for generators and industrial loads. Other improvements to support decision making in the investment timeframes can be explored further by the ESB and technical working groups in the coming months.

To support our response, please find attached Edify’s submission to the Post 2025 process, outlining the operation of the CRM, which includes worked examples of its operation, focussed on incentivising storage to alleviate congestion caused by thermal limits as well as voltage and stability limits. In addition to this, we also include an additional example, prepared by the AEMC, which demonstrates how a thermal unit can be incentivised to create headroom for renewable generators behind a constraint (or vice versa) and the requirement for co-optimisation of the CRM with energy and FCAS markets. These examples demonstrate the flexibility of the CRM as a market mechanism, in being able to resolve the most efficient market outcome, irrespective of technology type and how it facilitates transparent price discovery to ascertain the cost of constraints. If the CRM is to progress, further consultation and engagement with AEMO is recommended to understand costs and scoping impacts of changes to NEMDE.

We look forward to continuing to work with the ESB and other stakeholders on this important component of broader reform efforts. Should there be questions on any aspect of this consultation response, please contact us on +61 434 630 939 or at manas.choudhury@edifyenergy.com.

Yours sincerely

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