

28 November 2018

Energy Forecasting Team
Australian Energy Market Operator

Sent by email: energy.forecasting@aemo.com.au



Dear Sir/Madam,

2018 NEM Demand Forecasting Methodology – Issues Paper

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon people who are marginalised and facing disadvantage. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets. PIAC welcomes the opportunity to respond to AEMO's Issues Paper.

PIAC notes that the availability, understanding and use of independent and robust forecasts play an important role in ensuring the efficient planning and operation of the National Electricity Market (NEM). This has become clear not only in the planning of electricity networks (such as in verifying the need for and value of future network investment) but also in the wholesale market (such as the efficient use of the Reliability and Emergency Reserve Trader provisions).

Further, with the rapidity of change occurring in the NEM, the affordability crisis facing many consumers, and the current level of public scrutiny, it is essential to understand and communicate the drivers and implications of these changes.

Therefore, PIAC recommends AEMO continue to:

- enhance the transparency of its modelling, including discussion of the various drivers underlying forecasts, and
- enhance the accessibility and understanding of the forecasting results, assumptions and limitations in the industry and more broadly.

Continued engagement

PIAC would welcome the opportunity to meet with AEMO and other stakeholders to discuss these issues in more depth.

Yours sincerely,

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