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Daniel Westerman
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Lodged via email with stakeholderrelations@aemo.com.au

Dear Mr Westerman,

Submission to AEMO's scheduled lite consultation paper

Jemena Electricity Networks (Vic) Ltd (**JEN**) welcomes the opportunity to respond to the Australian Energy Market Operator's (**AEMO**) scheduled lite consultation paper (**paper**). We believe that open and transparent engagement is key to meeting the stated purpose outlined in the paper and the National Electricity Objective.

We understand the rationale around schedule lite is to encourage broader participation in the energy market, particularly at lower levels of generation. However, we are concerned with how dynamic operating envelopes (**DOEs**) are addressed in the consultation paper, including how DOEs will be managed and incorporated under the scheduled lite model and that this may have unintended consequences. The paper has not considered the risks and costs of not accounting for DOEs in stage one of the scheduled lite dispatchability model.

The paper states:

DOE development is occurring through the DEIP DOE workstream as well as the AER policy and regulatory workstream. There are several interactions between the DOE and Scheduled Lite designs, and it is proposed that these design matters are determined within the DOE workstreams.

Under the proposed stage 1 of the Dispatchability Model, AEMO will not integrate DOEs into the market scheduling processes. However, as aggregated portfolios of DER increase in size, and as a proportion of dispatchable generation and ancillary service provision, it may be necessary to integrate DOEs into the market scheduling processes.¹

We do not agree with AEMO's proposed approach of not integrating DOEs into the market scheduling processes under stage one of the dispatchability model. DOEs will place limits on what traders can do and bid into the market, depending on the available capacity of the local network at a given point in time. This could result in an unintended mismatch between bids and what can actually be delivered in the market. Therefore, we consider the proposed market design should necessarily account for these limits and constraints from the start, rather than integrating DOEs into the second stage of the dispatchability model.²

¹ AEMO, *Scheduled lite: Draft high-level design draft consultation paper*, June 2022, p. 49.

² AEMO, *Scheduled lite: Draft high-level design draft consultation paper*, June 2022, p. 9.

We look forward to continuing to engage on AEMO's proposed scheduled lite model and other related market design consultation processes. If you have any questions regarding this letter, please contact me on 03 9173 7000 or matthew.serpell@jemena.com.au.

Kind regards,

Matthew Serpell

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