

Electricity (General) Regulations 2012 Amendments”

PLANNING & FORECASTING ROLE of SA REGULATOR ESCOSA

The adoption of an approach to provide information specific to the needs of the SA electricity consumers with regard to electricity supply reliability during the transition phase (and beyond) is a much needed and welcomed enhancement of the processes that ensure the adequacy of electricity supply is maintained – with a specific “person” held accountable for providing the Minister, the Parliament, the electricity market participants, and the SA electricity consumers, the information necessary to make their own plans and understand how the requirements of the SA Government’s Transition Plan are being managed to maintain the reliability of electricity supply to SA.

The Planning Role of the Electricity Regulator should also include a number of related actions with the associated reporting by the Regulator being regular and transparent – similar to that of the Australian Energy Market Operator’s (AEMO) Statement of Opportunities (SOO).

The following are comments/suggestions are provided to assist the Government in providing a holistic (one-stop-shop) and accountable planning, forecasting and reporting outcome related specifically to the needs of SA:

- The role of the SA Regulator should also be to expand upon the AEMO Annual SOO for the SA Region and provide the Minister/Parliament in a formal report - with clarification and explanation of the conclusions of AEMO with regard to the reliability of electricity supply for the SA electricity consumers in the current and near future periods. The Regulator should be required to use the AEMO information and the requirements of the SA Government’s Transition Plan to extrapolate the specific needs to meet the forecast supply reliability situation for SA electricity consumers out to 2030 and beyond. Additionally the regulator should provide an annual historical graphical report of the annual reliability in SA – comparing that with expected future outcomes.
- The Regulator should specifically provide explanatory commentary where AEMO indicates that there is a potential for an imminent shortfall in supply for SA or when the associated future SA Reliability is reportedly predicted to fall below the expected Reliability Standard (set by the AEMC’s Reliability Panel).
- The Regulator should promote changes to the National Electricity Market (NEM) Rules and/or the SA Retailer regulations where they consider there are impediments within these Rules to achieve the requirements of the SA Transition Plan or where a situation occurs interstate which significantly impacts on the reliability of electricity supply to SA consumers (i.e. sharing of the “pain of shortages” – NEM requirement).
- The Regulator should be responsible for monitoring and maintaining a current (transparent) schedule of any future load shedding sequence by the Network Operator and report to Parliament/Minister the outcome of any annual testing by AEMO of coordination load shedding arrangements where it may affect more than one Region (State) - including the adequacy of all necessary communications.
- The Regulator should also provide a report of the annual historical cost of electricity to the various consumer sectors in SA – breaking down the cost into its components (e.g. electricity supply, distribution charges, transmission charges, and retailer costs, plus any other additional charges. The Regulator should be required to provide an estimate of the future component costs to the consumer sectors – at least 5 years ahead – but possibly out to 2030 or the next target). The Regulator should also provide an annual cost report on the impacts of such “transition encouragement “ schemes (e.g. MRET) on the average cost of electricity supply to SA Consumers.

I do note that the proposed Planning & Forecasting role for the Regulator appears to be somewhat similar to the previous role of the South Australian Government’s Energy Supply Industry Planning Council (ESIPC) which was abolished in the mid 2000’s when these roles were transferred to AEMO. The re-establishment of such a role seems consistent with the current actions of the other Australian States and actually provides this State Government with an enhanced ability to potentially identify in advance any potential future issues facing SA during this period of significant change and to develop plans and to promote appropriate actions to ameliorate any potential impacts on the future electricity supply to SA consumers.

Submitted by – K. M. Tothill (MIEAust – Ret) - 6 December 2023