
From: Tony Snell [REDACTED]
Sent: Wednesday, 3 August 2022 6:34 PM
To: Hatfield, David
Cc: Dwyer, Ellie; Mark Stedwell
Subject: AEMO authorisation AA1000618-1: report for the period 15 to 28 July 2022

Dear David

We refer to condition 1 of the interim authorisation granted by the ACCC on 1 July 2022 (**Interim Authorisation**) and the reporting protocol in Schedule 1 of the Interim Authorisation. Set out below is AEMO's report for the period 15 – 28 July 2022 (**Reporting Period**).

This report can be published on the public register.

The risk of insufficient supply to meet demand and the risk of instability in networks have been driven by the Current Market Conditions described in the Authorisation in paragraph 1.1. This includes:

- the Ukraine conflict, which has resulted in a reduction in availability and an increase in the price of gas and coal used for thermal electricity generators
- the impact of high rainfall and floods in New South Wales and Queensland
- extreme and/or unusual weather conditions
- a significant number of planned and unplanned outages
- the impact of the COVID-19 pandemic on specialised labour and global supply chains
- delays and deferral of some maintenance during the last two years

The following conduct that relies on the Authorisation was engaged in during the Reporting Period:

- (a) A meeting between AEMO, NSW Department of Planning, Origin, Delta Electricity, ACT government and TransGrid was held on Friday 22 June at 9am (as observed by a number of ACCC representatives). The purpose of the meeting was to discuss any potential issues that may arise in relation to maintenance or scheduled outages in New South Wales, and the resources required, in light of the Current Market Conditions (including COVID-19). The participants shared information relating to the timing of proposed maintenance, the skills required and any potential disruptions to planned maintenance. The participants also discussed the sharing of information related to energy limitations and risks to energy limitations.
- (b) A meeting between AEMO, AusNet Services, Department of Environment, Land, Water and Planning (**DELWP**), Energy Australia, Basslink, Alinta and AGL was held on Friday 22 June at 10am (as observed by a number of ACCC representatives). The purpose of the meeting was to discuss any potential issues that may arise in relation to maintenance or scheduled outages in Victoria, and the resources required, in light of the Current Market Conditions (including COVID-19). The participants shared information relating to the timing of proposed maintenance, the skills required and any potential disruptions to planned maintenance. In particular, the participants discussed the number of employees within their maintenance workforces who are testing positive to COVID-19. AusNet and BassLink also discussed the possibility of conducting maintenance while the BassLink connection was de-energised. The participants also discussed the sharing of information related to energy limitations and risks to energy limitations.
- (c) A meeting between AEMO, Department of Energy and Public Works (**DEPW**), Powerlink, APA, CleanCo, Alinta and Origin was held on Friday 22 June at 11am (as observed by a number of ACCC representatives). The purpose of the meeting was to discuss any potential issues that may arise in relation to maintenance or scheduled outages in Queensland, and the resources required, in light of the Current Market Conditions (including COVID-19). The participants shared information relating to the timing of proposed maintenance, the skills required and any potential disruptions to planned maintenance. In particular, the participants discussed the number of employees within their maintenance workforces who are testing positive to COVID-19, as well as potential delays for essential overseas parts as a result of supply chain issues exacerbated by

COVID-19. The participants also discussed the sharing of information related to energy limitations and risks to energy limitations.

At each of these meetings listed above, an understanding was reached, set out below:

AEMO Industry Participants and Future AEMO Industry Participants, who are invited to attend meetings held under the authorisation, will provide to AEMO and AEMO may share with other participants who are invited to attend meetings, information related to 'energy limitations' and 'risks to energy limitations', from time to time. The anticipated duration of the conduct will be while AEMO considers there is a need to engage in the conduct to address a critical risk of energy outages or significant disruption to the operation of the NEM or wholesale gas markets but not for a period longer than 31 March 2023 or until the authorisation is revoked.

AEMO intends to hold meetings under the Interim Authorisation on:

- Friday 5 August at 9am, 10am and 11am between electricity generators and distributors in NSW, Victoria and Queensland (respectively).
- Wednesday 10 August 2022 from 1pm to 3pm. This will be a gas specific meeting, and the agenda is being finalised.

Details of the attendees and agenda will be provided to the ACCC separately. If AEMO intends to hold additional meetings under the Interim Authorisation during the next reporting period, we will separately update the ACCC about these meetings as required under the Interim Authorisation.

Please don't hesitate to contact me with any queries in relation to this report.

Kind regards

Tony Snell AM
General Counsel



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Working days at AEMO: Monday, Tuesday, Thursday and Friday