ENERGY SECURITY BOARD

POST 2025 MARKET DESIGN

PUBLIC WEBINAR

TRANSMISSION ACCESS REFORM CONSULTATION PAPER

26 MAY 2022

Mentimeter

AGENDA

- Welcome and introduction
- Objectives & case for reform
- Shortlisted models
- Trade offs
- Q&A

TRADE OFFS

Design decisions will lead to trade-offs.

The consultation paper seeks your feedback (directly and indirectly) on the preferred balance between these trade-offs.

We have highlighted five for discussion today:

- Flexibility vs predictability
- Cost vs investment certainty
- Duration of access rights
- Simplicity vs accuracy
- Secondary objectives

*Most relevant to …**investment timeframes***

*… **operational timeframes***

LIVE SURVEY

1. To participate in the live survey navigate to the Menti link provided in the webinar chat OR go to www.menti.com and enter the code **8140 0719**.

2. You'll be asked several questions where you'll need to either:

    - Select a trade-off position on a sliding scale
    - Rank options - in priority order

3. All answers are anonymised and will be shared iteratively throughout the discussion.

4. If you're having difficulties with viewing or voting please let us know.

Which of the following stakeholder categories best represents you?

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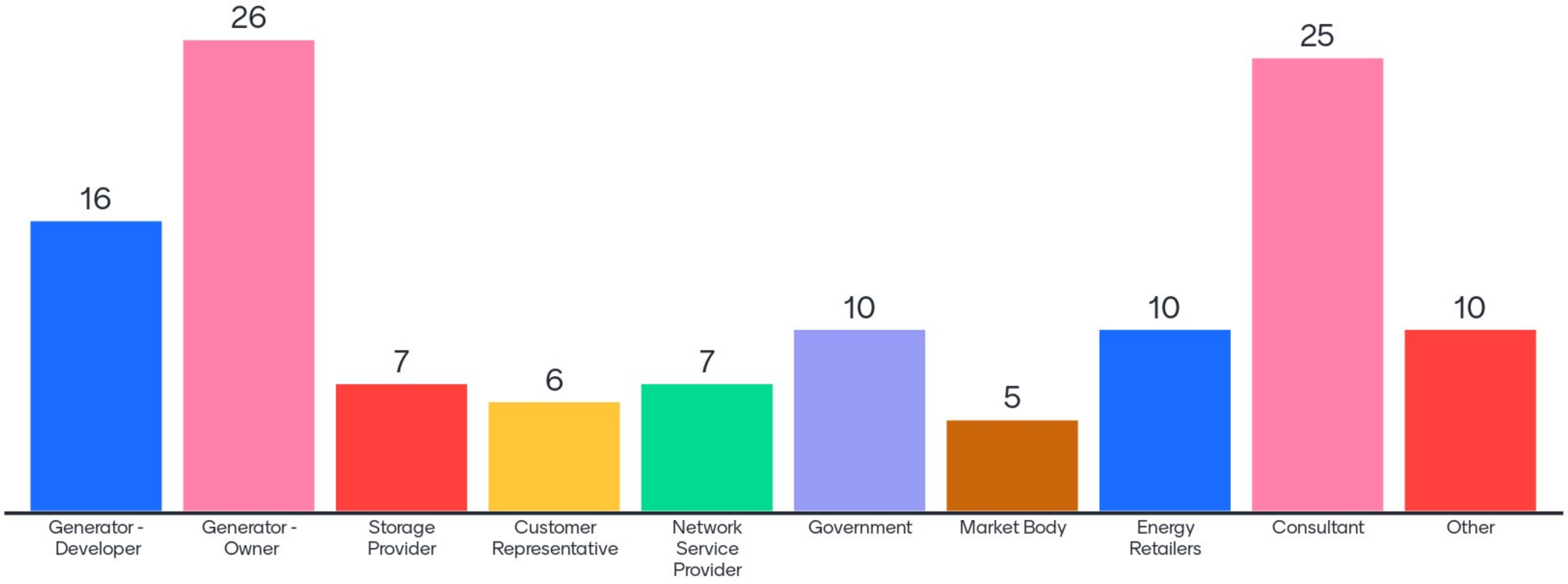
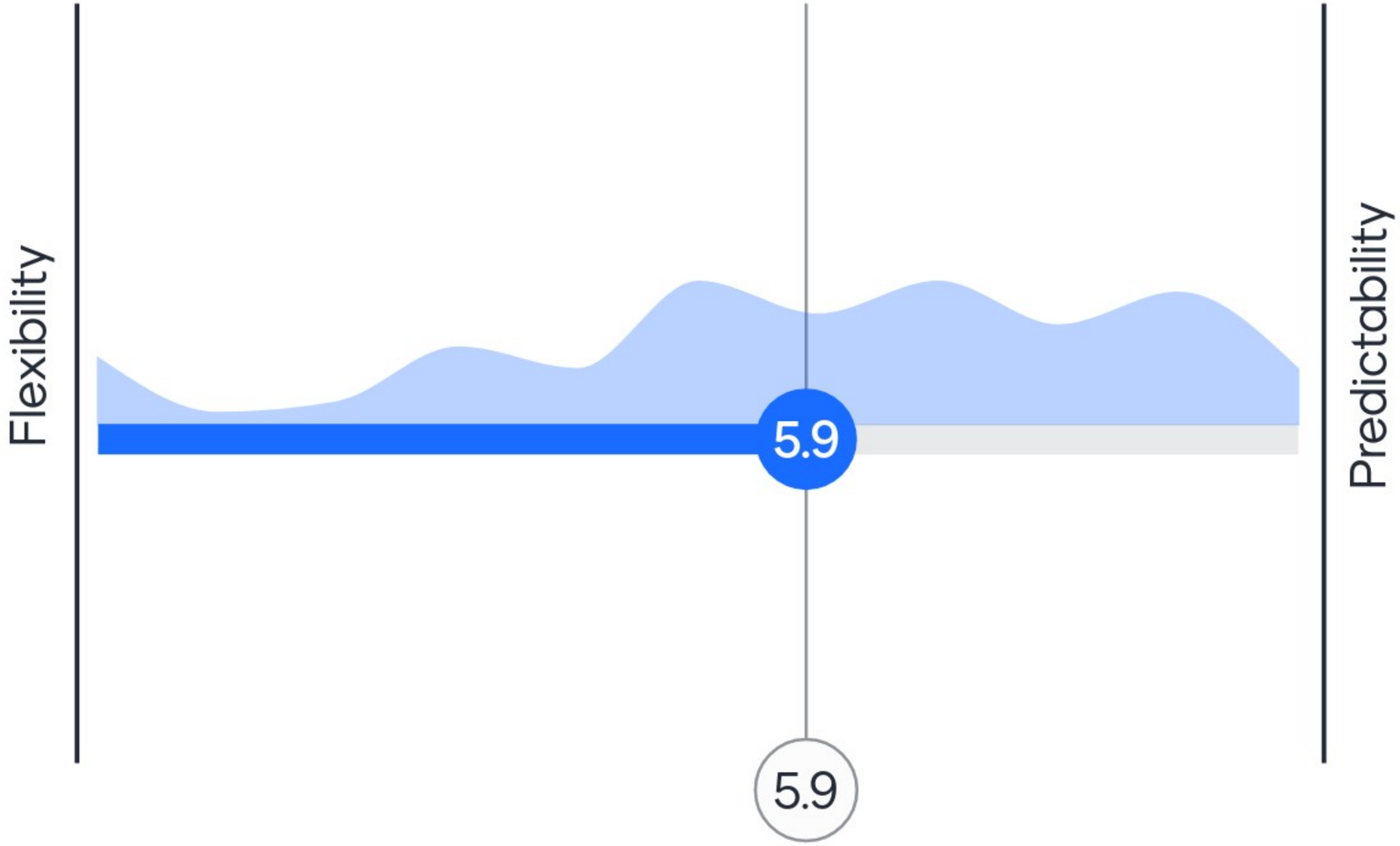


FLEXIBILITY VS PREDICTABILITY

High level of unfettered access allowing new entrants to connect. New entrants can impose congestion costs on others.

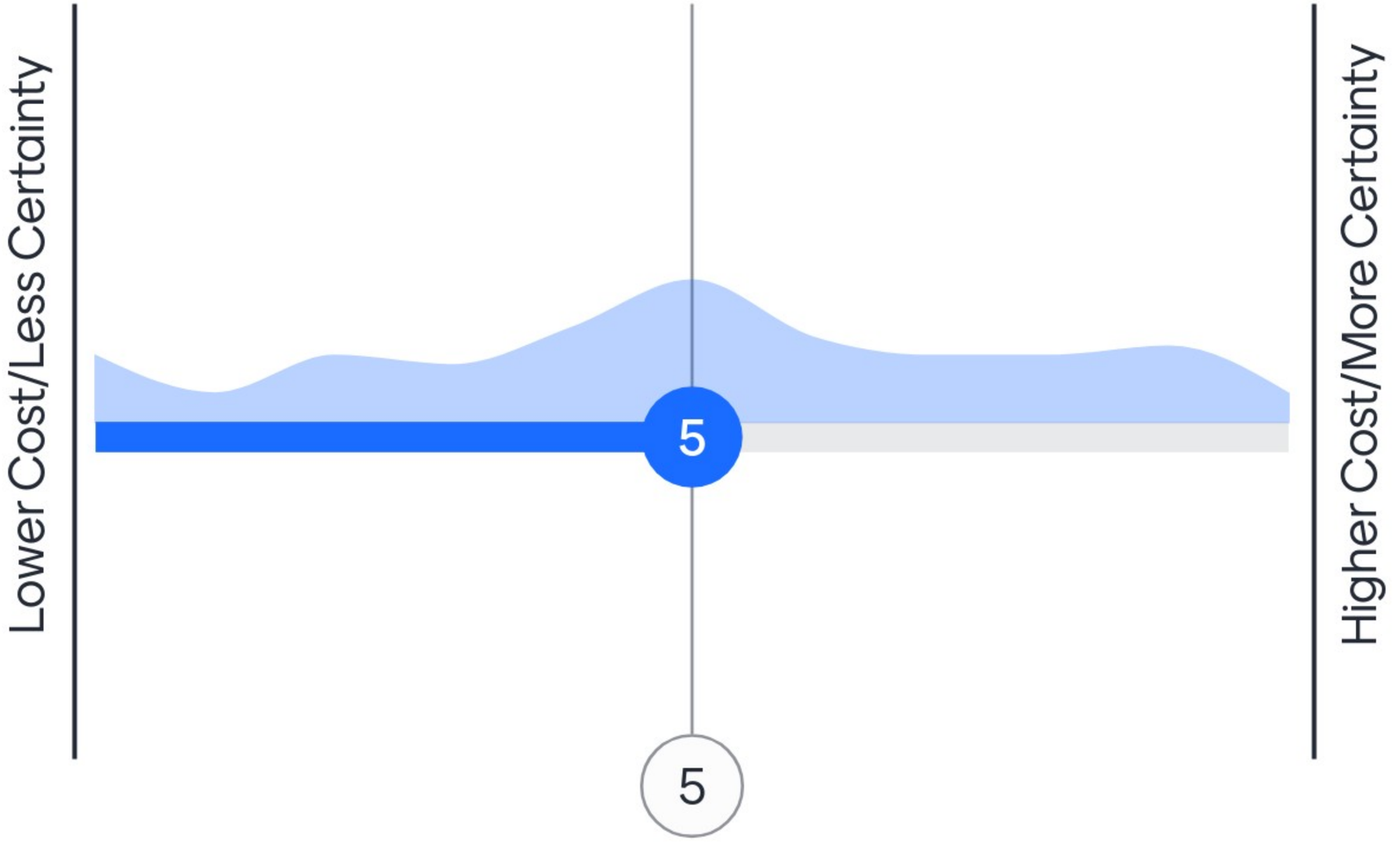
For investors to know how much congestion they will face, they need to know how much generation will connect in their part of the network.

Q1 - What is your preferred balance between 'Flexibility' and 'Predictability'?



COST TO CONNECT VS INVESTMENT CERTAINTY

Q2 - What is your preferred balance between 'Cost to Connect' and 'Investment Certainty'?



WHAT IS THE PREFERRED DURATION OF ACCESS RIGHTS?

Less costly – generator does not pay for access and does not receive access rights

More costly – Long term access rights provide certainty over lifetime of asset

Q3 - What is your preferred duration of access rights?

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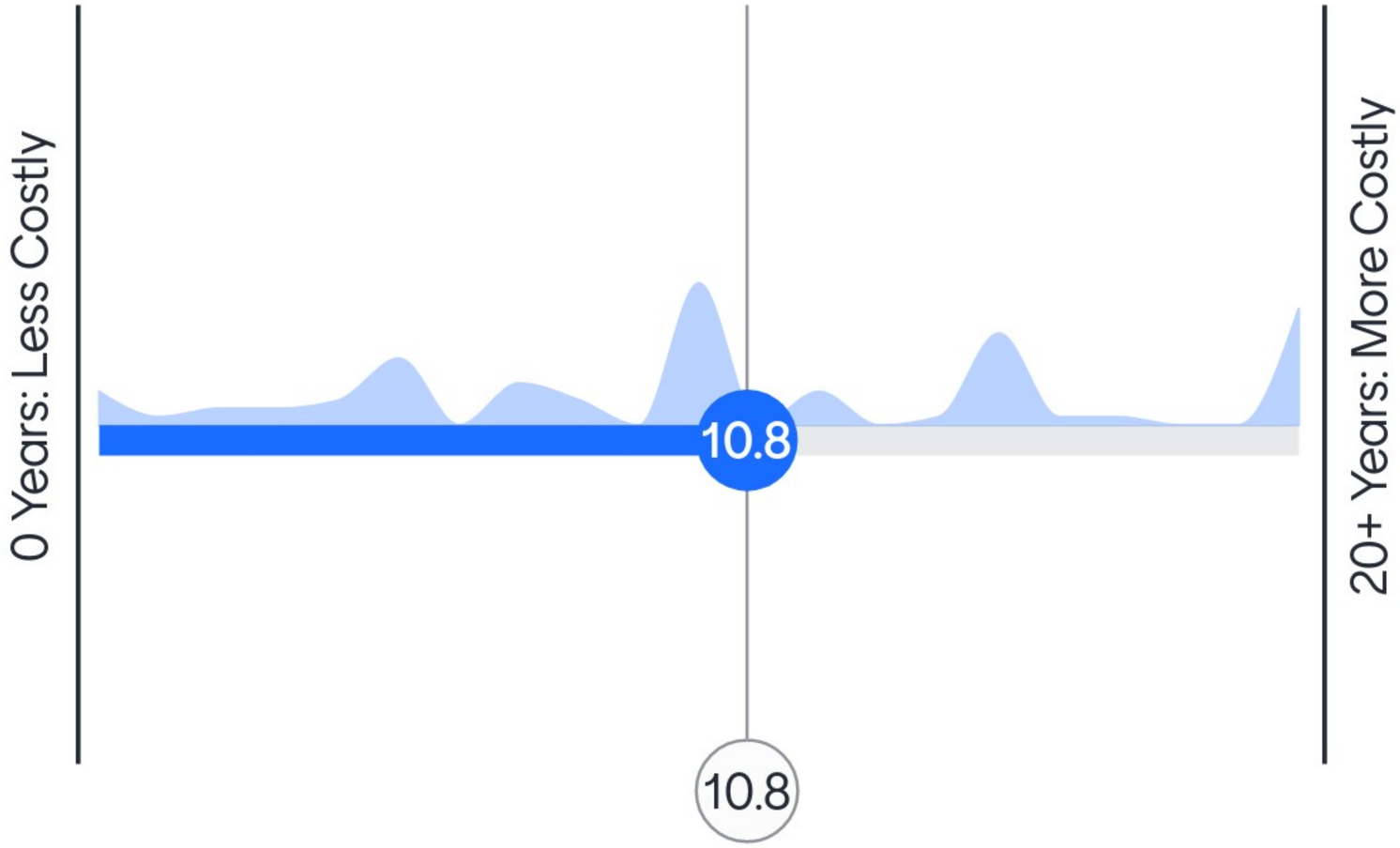

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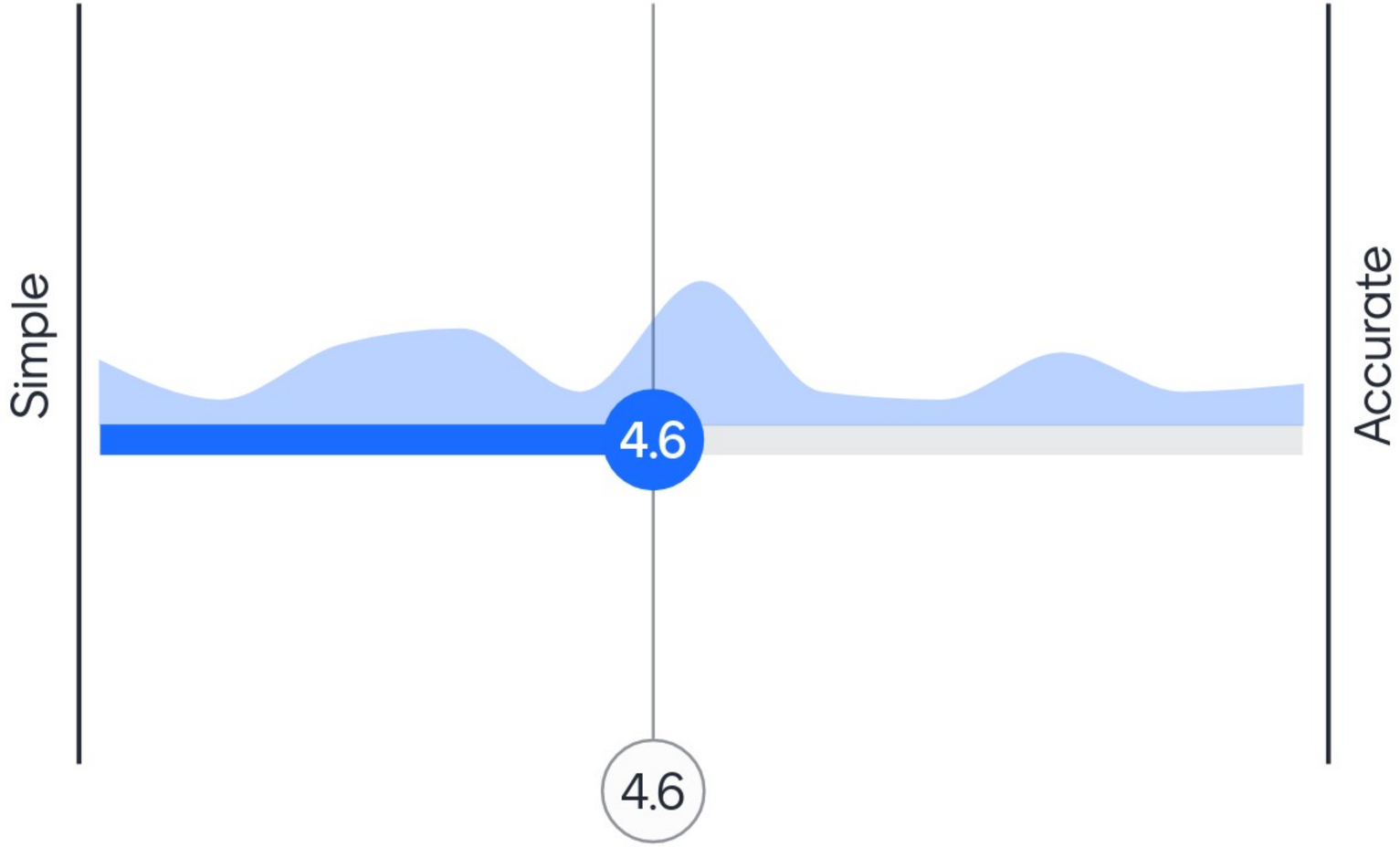
SIMPLICITY VS ACCURACY

Q4 - What is your preferred balance between 'Simple' and 'Accurate'?



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SECONDARY OBJECTIVES- WHAT IS YOUR PREFERRED RANKING?

Operational timeframe models can be designed to achieve different objectives:

1. Maintain status quo outcomes so that existing generators are no worse off financially than under the status quo.
2. Sharing of risks so that financial impacts are shared between constrained generators rather than creating 'winner takes all' outcomes.
3. Similarity to actual dispatch so that generators can reduce the basis risk between the regional reference price (which retailers/customers pay) and the locational marginal price (which generators pay when a constraint is binding).
4. Increased certainty for generators with priority access rights to incorporate the transmission queue model i.e. generators with a '0' position would have greater certainty than generators with a '1, 2, 3…' position.
5. Simplicity and transparency so that the algorithm and its outcomes are easy for stakeholders to understand.

Q5 - What is your preferred ranking between objectives?

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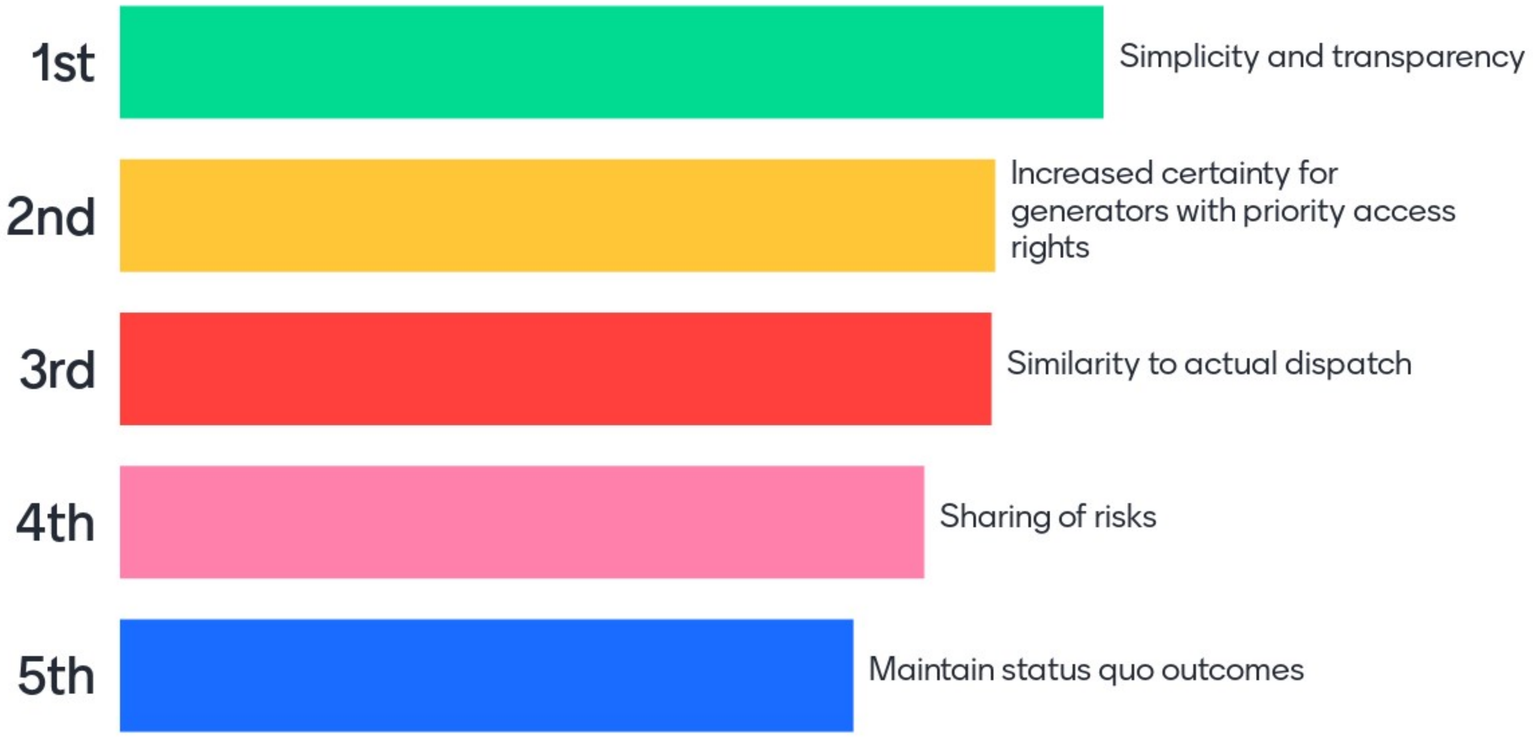

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Q&A