

To energymarkets@deed.wa.gov.au
Subject Operational Forecasting in the WEM Review
Date 28 August 2025

Good Afternoon

Thank you for the opportunity to comment on the recent consultation paper on the proposed Review into Operational Forecasting in the WEM. Perth Energy actively trades within the wholesale market and is aware of some of the forecasting issues that are discussed within this paper. We have experienced events where low energy prices were forecast and our generating plant has not been dispatched, only to see high energy prices eventuate, or the plant be dispatched but prices have fallen. We therefore support this review being undertaken.

One matter which Perth Energy considers should be included within the review is an assessment of what level of forecast accuracy can actually be expected. How predictable is the weather in the SWIS? Does this allow sufficiently useful forecasts to be prepared for short, medium or longer periods? There is no benefit in developing more comprehensive data collection and modelling systems if natural variability prevents better forecasts being made.

Importantly, we need to ask whether critical weather events, that may cause a threat to the power system, can be predicted with any real degree of accuracy. Sudden storms, unexpected cloud cover and similar events can create major upsets in the system. These situations will become harder to manage as renewables provide a larger share of generation and as storage meets a greater proportion of peak demand. If critical weather events cannot be forecast within a reasonable timeframe, the only option may be to adopt appropriate operating procedures and/or revised levels of reserve capacity.

Proposal 1: *AEMO should review its approach to persistence forecasting and how these forecasts are blended with foundation forecasts. AEMO should consider shortening the period over which it blends these forecasts, blending differently for different sites, or not blending at all and adopting an alternate approach.*

Consultation Questions: (1)(a) *Do stakeholders have any concerns with AEMO altering its approach to blending forecasts?*

Perth Energy response: Perth Energy has no set position on this matter and considers that AEMO should use whatever processes provide the best solution appropriate for the required forecast.

Proposal 2: *AEMO should enhance collaboration with a number of weather providers to improve weather forecasts used in demand forecasting and especially for intermittent generation resource availability forecasts. Specifically, the focus should be on improving the quality, frequency, and understanding of uncertainty of weather forecasts, and enabling delivery of these forecasts in a state that can inform market forecasts.*

Consultation Questions: (2)(a) *Do stakeholders see a role for participants to provide or utilise additional site-specific data in forecasting?*

Perth Energy response: Participants could be required to provide anemometer data at various heights and at sufficient locations to provide a valid picture of wind farm ambient conditions. Similar data for solar plants could also be provided.

Proposal 3: *AEMO should continue to develop documentation of its forecasting process, including how it is implemented in its forecasting model, as well as a technical specification for the model. AEMO should review the use of its separate development and production environments for its forecasting system and the change management processes in place.*

Consultation Questions: (3) Do stakeholders have any concerns with AEMO enhancing documentation and reviewing internal forecasting practices?

Perth Energy response: This is a sound approach to ensure auditability and effective transfer of key knowledge.

Proposal 4: Intermittent generation forecasts used in WEMDE should be produced by AEMO. Participants should be required, under the rules, to provide necessary information for AEMO to produce these forecasts.

Consultation Questions: (4)(a) Do stakeholders support introducing a centralised forecasting approach with AEMO producing intermittent generation forecasts for use in WEMDE?

(4)(b) Do stakeholders have concerns about providing the required information to enable AEMO to produce intermittent generation forecasts to be used in WEMDE?

(4)(c) Do stakeholders have any views on the allocation of the implementation costs to move towards a centralised forecasting approach?

(4)(d) Do stakeholders anticipate challenges in providing the type of data required to AEMO in a timely manner?

(4)(e) Do stakeholders have any views on the proposed treatment of hybrid facilities?

Perth Energy response: Perth Energy considers that forecasting would be more consistent and efficient if this is undertaken primarily by AEMO. This would avoid potential issues with different participants utilising different modelling approaches and avoid the need to incentivise participants to provide good forecasts. Where a significant amount of renewable generation facilities is being built in the same general location, forecasting the outcome of the local fleet, rather than individual facilities, is probably more useful.

Proposal 5: *A rule obligation should be introduced for AEMO to publish metrics for the tracking of forecast and backcast errors for its operational forecasting.*

Consultation Questions: (5)(a) Do stakeholders support the introduction of an obligation for AEMO to publish a metrics of forecast and backcast errors?

Perth Energy response: This would provide a good mechanism for improving forecasts or identifying the effective limitations. Perth Energy supports this.

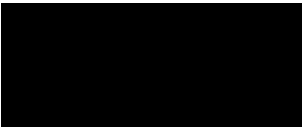
Proposal 6: *Operators of large loads should be obligated to provide AEMO with consumption forecasts and notify AEMO of unexpected changes to forecast schedules as they arise.*

Consultation Questions: (6)(a) Do stakeholders have any concerns with the proposal to formalise a requirement for large loads to provide consumption forecasts?

Perth Energy response: No. This is logical.

Should you have any questions please do not hesitate to contact me at p.peake@perthenergy.com.au or on [REDACTED] This submission may be made public.

Kind regards



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I am based in the Perth Office and work Tuesday, Wednesday and Thursday