

PowerMark – ACIL Tasmans electricity market simulation model

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ACIL Tasman has developed PowerMark to simulate the formulation of prices in the electricity market and assist with electricity market analysis.

It is at the cutting edge in simulating market behaviour, including the exercise of market power. The model has been used extensively to assist new entrants, banks and governments in understanding market behaviour and likely outcomes. ACIL Tasman has developed models for the Australian National Electricity Market (NEM), the WA electricity market and electricity markets in Singapore and the Philippines.

Other electricity market models have been developed to analyse and test particular features of electricity markets, including the NEM. These models, which include pool price simulators, least-cost planning models, risk assessment and financial modelling suites, have been used by ACIL Tasman in Malaysia to conduct a detailed review of the Malaysian electricity industry.

ACIL Tasman's approach to the use of models in commercial analysis work is one of careful balance, between the powerful insights which can flow from the sound application of a valid model, and the risks associated with data deficiencies and limited understanding of the underlying economic and technical systems. The emphasis has been on building an understanding of those systems and on using this understanding to provide a set of sensibility checks for use in any modelling application.

Contact ACIL Tasman for more information on electricity market modelling and the application of the PowerMark Model.