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Australian Energy Market Commission  
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Lodged online via [www.aemc.gov.au](http://www.aemc.gov.au)

### **RE: Operating Reserve Market Rule – Directions Paper**

Neoen welcomes the opportunity to respond to the AEMC’s Operating Reserve Market Directions Paper (3 August 2023).

As you may be aware, Neoen is a specialist, independent power producer with a long-term vision that translates into a strategy to produce renewable, competitively priced energy, sustainably and on a large scale. With 7 GW in operation or under construction globally, we are aiming for more than 10 GW by 2025, with the ambition to reach 20 GW by 2030. In Australia, Neoen has approximately 3.3 GW in operation or under construction—with more than 1.2 GW of this battery storage, 1.1 GW from wind and nearly 1 GW from solar.

#### **Proposal to publish State of Charge Information**

While Neoen supports the provision of this information to AEMO for the purpose of their forecasting, we would be concerned about this information being provided in the dispatch on an individual asset basis (or where there are a limited number of captured assets on an aggregate basis). We also consider there may be the potential for this information to be used by other bidders with unintended outcomes (i.e. gaming behaviour). Such unintended consequences should be considered further before implementing the proposed change.

#### **Proposal for regional FCAS procurement**

While Neoen supports proposals focused on increasing the utilisation of network connection capacity, the establishment of regional boundaries must consider the presence of existing assets able to deliver the required services, and the potential impact on competition. It may be relevant to consider a transition period after which the market investment signal has been made to ensure there is not a sudden change in local market dynamics.

We look forward to engaging with the AEMC and other relevant stakeholders further on these initiatives. For further clarification please contact Megan Ward, [megan.ward@neoen.com](mailto:megan.ward@neoen.com) in the first instance.

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