



Shannon Culic

Australian Energy Market Commission (AEMC)

Submitted via AEMC online portal

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Dear Shannon

ERC0295 – Tesla Response to Operating Reserves Market Directions Paper

Tesla Motors Australia, Pty Ltd (Tesla) welcomes the opportunity to provide the Australian Energy Market Commission (AEMC) with a response to the Operating Reserves Market Directions Paper.

This response provides some very high level feedback to the two new suggestions from the AEMC. Specifically the suggestions to:

1. Develop and publish more information to the market; and
2. Procurement of FCAS at a regional level.

On point one, it is our view that this work is already been effectively done by the Australian Energy Market Operator (AEMO) through the Integrating Energy Storage Systems (IESS) implementation. The approach currently being considered regarding requiring more information on state of charge is outlined here - <https://aemo.com.au/-/media/files/initiatives/integrating-energy-storage-systems-project/aemo-iess-bidirectional-unit-implementation-design-workshop-21-march-2023.pdf?la=en>.

Our preference is for that work to continue through the IESS implementation work rather than as a separate Rule Change process, as a more efficient use of resources.

Regarding the second dot point, our position on this is:

- We would like more information to be provided from AEMO regarding how this would be managed in effect. One concern would be how it will apply to the new very fast FCAS market which has a relatively low procurement rate.
- We re more supportive of a regional floor for procurement than a hard cap.

For any more information please contact Emma Fagan (efagan@tesla.com)

Kind regards

Emma Fagan

Energy Policy and Regulatory Manager