Victor Stollmann

Australian Energy Market Commission (AEMC)

Submitted via AEMC online portal

30 January 2024

Dear Victor

ERC0364: Clarifying mandatory PFR obligations for bidirectional plant – AEMC Draft Determination

Tesla Motors Australia, Pty Ltd (Tesla) welcomes the opportunity to provide the Australian Energy Market Commission (AEMC) with a response to the Draft Determination on the Australian Energy Market Operator (AEMO) led rule change clarifying primary frequency response (PFR) obligations for bidirectional plant.

In our initial response to the AEMC Consultation Paper on this topic, we noted:

- Issue 1: clarification regarding the non-inclusion of scheduled bidirectional units providing PFR when discharging. Tesla agreed to that this was a genuine drafting error that should be updated.
- Issue 2: adding additional requirements for scheduled bidirectional units to provide PFR when operating with a zero-dispatch target for energy (i.e., when charging or enabled for frequency control ancillary services (FCAS)). Tesla noted that we did not believe that this change would result in a significant impact, or disincentive to the uptake of utility scale storage, however we also noted that others in industry had expressed concerns and counter views.

The Draft Determination presented by the AEMC appears to take the right balance by mandating that scheduled bi-directional units (BDUs) should provide PFR when responding to a dispatch signal (charge and discharge), but not while at rest and solely enabled for contingency frequency control ancillary services (FCAS). As we noted in our prior response, in Tesla's experience utility scale batteries will operate in response to dispatch signals >90% of the time. However, the approach proposed by the AEMC will provide the market with more flexibility in reserving capacity for other services.

Comments on other parts of the Draft Determination are included below.

New SCADA requirements

Tesla is broadly supportive of this proposed addition and does not feel like it would result in significant additional work to provide AEMO this additional data point. Note that our assumption is that providing AEMO with the "status" of the frequency controller, just refers to providing a signal as to whether it is on or off. If AEMO where to add additional SCADA datapoints within the definition of "status", this would result in more work.

Tesla Motors Australia, Pty. Ltd.
Level 14, 15 Blue Street
North Sydney 2060 NSW
Australia

Clarifying no 5.3.9 renegotiation for PFR compliance

This is an important point and Tesla supports the extension of the current application of clause 5.3.9(d) to confirm that Scheduled Bidirectional Units would also **not** be subject to a clause 5.3.9 renegotiation for the purposes of PFR compliance.

The Draft Rule clarifies that semi-scheduled generators and scheduled bidirectional units may not change frequency response settings without prior approval of AEMO

Tesla is supportive of this clarification. From a practical perspective it does, however, raise questions regarding how a scheduled BDU can turn off PFR service during periods of contingency FCAS enablement, and still be enabled for PFR during scheduled charge or discharge response. Our working assumption is that this would necessarily require a change in AEMO approved frequency response settings.

If the intent here is to allow for a more manual switching of settings, with a different AEMO approval process it would be good for AEMO to publish guidance material on what this might look like. Tesla would not support an approach that required ongoing OEM intervention to change site settings.

Tesla is happy to support the AEMC with any more information as needed on this topic.

Kind regards

Emma Fagan

Energy Policy and Regulatory Manager