



25 January 2024

Anna Collyer
Chair
Australian Energy Market Commission

Lodged online: www.aemc.gov.au

Dear Ms Collyer,

Clarifying mandatory primary frequency response obligations for bi-directional plant – Draft Determination

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Market Commission's (AEMC) Draft Determination on *Clarifying mandatory primary frequency response obligations for bi-directional plant*.

Origin recognises the intent of the draft rule is to clarify and amend the mandatory primary frequency response (PFR) obligations for bi-directional units (BDU) to ensure PFR is provided in a predictable and consistent way in the future. Clarifying that the obligation for batteries to provide PFR when discharging will continue to apply from 3 June 2024 when their registration as BDUs commences is consistent with this objective, and would resolve an inadvertent drafting omission related to the Integrating Energy Storage Systems Rule.

Origin supports the AEMC's draft decision not to require BDUs to provide PFR when idle (or solely powering auxiliary systems) or enabled for Contingency Frequency Control Ancillary Services (FCAS). We share the AEMC's view that providing PFR when idle (or solely powering auxiliary systems) would result in material costs as batteries would exhaust warranted cycles by operating with continuous throughput, even when not dispatched. Similarly, applying PFR obligations to BDUs solely enabled for contingency FCAS would be unlikely to materially improve system security and could lead to increased costs as battery operators incur additional cycling and degradation costs. It could also incentivise BDUs to withdraw FCAS capacity in order to ensure they do not exhaust daily warranted cycles.

Two other incremental changes proposed in the Draft Rule include: not requiring BDUs to renegotiate their connection agreement when adjusting PFR settings in accordance with AEMO's PFR Requirements document; and not permitting BDUs to change frequency response settings without AEMO's approval. We support these changes, which provide additional clarity and would promote the consistent and predictable provision of PFR.

If you wish to discuss any aspect of this submission further, please contact Thomas Lozanov at thomas.lozanov@originenergy.com.au.

Yours Sincerely,

A handwritten signature in black ink that reads "S Cole".

Shaun Cole
Group Manger, Regulatory Policy