

NATIONAL ELECTRICITY AMENDMENT (CLARIFYING MANDATORY PRIMARY FREQUENCY RESPONSE OBLIGATIONS FOR BIDIRECTIONAL PLANT) RULE 2024 (ERC 0364)

25 JANUARY 2024

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing, building materials and food processing industries. Combined our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

Thank you for the opportunity to make a submission under AEMC's National Electricity Amendment (Clarifying mandatory primary frequency response (MPFR) obligations for bidirectional plant) Rule 2024.

The EUAA is pleased to see that in writing the draft determination, the AEMC has taken the view to minimise the financial impact of MPFR on utility scale batteries that may have resulted in inefficient operation and dispatch of them. The EUAA supports the AEMC's draft determination that will result in utility scale batteries having primary frequency response requirements (PFRR) when:

- Receiving a dispatch instruction to generate a volume greater than zero MW;
- Receiving a dispatch instruction to charge at a greater volume than zero MW; and
- Receiving a dispatch instruction to provide a regulation service.

And not when:

- When at rest and/or enabled solely for contingency frequency control ancillary services (FCAS).

The EUAA is however concerned that the Retail Reliability Obligation (RRO) still stands in the way of efficient operation and dispatch of utility scale batteries and efficient pricing of these resources, i.e. a utility scale battery may be prevented from charging during certain times to maintain RRO obligations, and thus would be unavailable to provide system strength services during that time and during the following discharge period.

It would appear that in drafting the rule change request, AEMO found a way for utility scale batteries to operate in compliance with both RRO and PFRR (and other system security requirements with further tweaking). The EUAA would like to see the RRO issue remedied with a dedicated rule change that considers the impacts for utility scale battery operators, the NEM and consumers.

CONCLUDING REMARKS

The EUAA is pleased to see an inequity in the bidirectional plant rules being corrected, however has some concerns about its ultimate implementation around utility scale batteries meeting the conflicting requirements of the RRO and system security obligations.

The EUAA welcomes further discussions with the AEMC and AEMO around the issues raised in this submission.

Do not hesitate to be in contact should you have any questions.



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