18 April 2024

Tiffany O'Keefe, Project Leader
Australian Energy Market Commission (AEMC)
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Submitted online

Dear Ms. O'Keefe,

Re: Detailed Input and Recommendations on the Draft Rule Determination for R1 Process Improvements

Sungrow Australia values the opportunity to submit detailed feedback on the AEMC's Draft Rule Determination aimed at refining the R1 Process within the National Electricity Market (NEM). As a prominent provider of energy storage solutions and an active stakeholder in the renewable energy sector, we recognise the extensive implications these proposed amendments could have on grid connection protocols and the overarching stability and reliability of the grid.

Expanded Areas of Focus and Proposed Enhancements:

(1) Detailed Technical Analysis and Defined Project Timelines

Explicit Timelines and Deadlines:

We urge the establishment of clear, mandatory timelines for Network Service Providers (NSPs) and the Australian Energy Market Operator (AEMO) regarding additional modeling requirements. Precise and enforceable deadlines are crucial for enabling meticulous project planning and effective execution.

Task Specificity and Resource Allocation:

It is essential to obtain more comprehensive details on how the draft rule intends to separate necessary technical efforts from those that are redundant. This differentiation will enable more efficient resource distribution and reduce wasteful expenditure.

(2) Comprehensive Impact Assessment on Existing Projects

Detailed Transitional Guidelines:

We seek thorough explanations regarding the transitional provisions for projects currently in the queue for connection to the NEM. It is critical to delineate how these projects will be accommodated under the new rules. This information is crucial not only for managing current investor and stakeholder expectations but also for ensuring seamless integration without jeopardising ongoing investments. Clarity in these guidelines will prevent project delays and help maintain financial and operational predictability.

(3) Risk Management and Enhancement of System Security

Risk Distribution Strategy:

We support the initiative to reallocate some risks from generators to network operators. This shift is crucial for ensuring fast and secure connections. We propose the introduction of quantitative risk analysis methods to provide clear insights into the anticipated impacts on project security and viability.

(4) Increased Flexibility in GPS Negotiations

Adaptable Negotiation Framework:

The introduction of more adaptable frameworks for negotiating Generator Performance Standards (GPS) is a positive development. We request clarifications on what constitutes "reasonable and pragmatic revisions" and suggest providing examples from international markets where similar flexibility has been beneficial.

(5) Support Structures for Implementation

Preparation for Rule Implementation:

Given the proximity of the rule's anticipated implementation following the final determination, we inquire about the preparatory measures and support structures that will be established to facilitate stakeholders' transition to the new regulations.

(6) Proposal for an Ongoing Review and Adjustment Process

Systematic Review and Feedback Mechanism:

We propose the creation of a systematic review process to commence, say one year post-implementation. This review would evaluate the rule's effectiveness and provide a structured opportunity for adjustments based on stakeholder feedback and system performance data.

Further Recommendations:

1. Enhancement of Technical Requirement Specifications:

A more detailed outlining of required technical analyses for various connection scenarios would be advantageous. A standardized approach could potentially simplify and expedite the connection process.

2. Improvement of Process Transparency:

We advocate for increased transparency in the R1 process, particularly concerning justifications for additional modeling requirements.

3. Specification of Timelines and Dispute Resolution Frameworks:

Establishing specific timelines for notifications from NSPs and AEMO, along with detailed dispute resolution procedures regarding GPS modifications, would improve procedural clarity and operational efficiency.

Sungrow is grateful for this platform to share our insights and looks forward to continuing discussions with the AEMC on these issues and actively participating in shaping a dynamic, resilient, and forward-thinking electricity system. Should you have any questions or wish to discuss any aspect of this submission, please feel free to contact Alfred.li@au.sungrowpower.com.

Yours Sincerely,

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