

4 July 2024

Ilaria Barletta
Project leader
Australian Energy Market Commission

Submitted on-line

Dear Ilaria

CleanCo welcomes the opportunity to contribute to the consultation on the *Retailer reliability obligation exemption for scheduled bi-directional units* rule change proposal.

CleanCo was established by the Queensland Government in 2018. We own and operate a portfolio of flexible, responsive energy generation assets and support the development of new clean energy assets. We offer renewable energy, firmed with our portfolio to deliver competitive clean energy products that are tailored to our customers' individual needs.

Overall comments

CleanCo currently owns energy storage capacity and is seeking to expand our capacity in the coming years. Overall, we support the intent of the rule change as it recognises the important role that these assets will play in Australia's energy system and the inherent value they bring to the system.

The rule change proposal highlights the importance of developing regulatory arrangements required for our future system. While energy storage plays a relatively small role in the market now, we agree with the AEMC that it represents a significant provider of system services. As the capacity of storage increases and other generation exits the market, this role will expand substantially. In this context, the problems associated with trading-off meeting Retail Reliability Obligation (RRO) liabilities and providing system services will be exacerbated.

Exempting pumped-hydro from the RRO

CleanCo supports extending the RRO exemption to pumped-hydro along with other storage technologies that would charge from the grid. As owners of Wivenhoe Power Station, we have a clear interest in this aspect of the proposal. We do not agree with the AEMC's proposition that pumped-hydro should be treated differently to batteries because it doesn't offer the same suite of services. While pumped-hydro may offer a narrower range of services, this should not downplay the important role that pumped-hydro can play in supporting system security when acting as a load.

We note that pumped-hydro assets may be treated differently to batteries under the changes occurring under the Integrating Energy Storage Systems (IESS) rule change. For example, pumped-hydro may register under the

Integrated Resource Provider (IRP) category but not register as a bi-directional unit (BDU). However, this doesn't mean that it should be considered differently from the perspective of this rule change proposal. When acting as a load, pumped-hydro will also have the capability to provide a range of system services. We would support a definition of energy storage for this rule change proposal that reflects these differences.

CleanCo welcomes this chance to contribute to the ongoing discussion on the future of Australia's energy market. If you would like to discuss this submission further, please contact feel free to contact me via email andrew.burnett@cleancoqld.com.au or on 0429 800 612.

Regards,



Andrew Burnett
Principal Advisor, Regulatory
CleanCo Queensland