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Australian Energy Market Commission  
GPO Box 2603  
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Submitted electronically: <https://www.aemc.gov.au/contact-us/lodge-submission>

### **National Electricity Amendment (Retailer reliability obligation (RRO) exemption for scheduled bi-directional units (BDUs) Rule 2024 – Consultation Paper**

EnergyAustralia is one of Australia's largest energy companies with around 2.4 million electricity and gas accounts across eastern Australia. We also own, operate and contract a diversified energy generation portfolio across Australia, including coal, gas, battery storage, demand response, wind and solar assets, with control of over 5,000MW of generation capacity.

EnergyAustralia welcomes the opportunity to respond to the AEMC's Consultation Paper on the National Electricity Amendment (RRO exemption for scheduled bi-directional units) Rule 2024 (Consultation Paper).

In principle, we support the intent of the Proponents' rule change request to exempt or exclude scheduled bidirectional units from being a Liable Entity for the purposes of the Retailer Reliability Obligation (RRO) under the National Electricity Rules.

We agree with the Proponents' view that the current application of the RRO to batteries does not align with the intent of the RRO to require retailers to contract with generators to meet consumer demand, and specifically, demand that is generally not responsive to price signals. We also recognise the proponents' concerns around the RRO being an effective constraint on scheduled BDUs providing critical system security services.

Although EnergyAustralia supports the Rule Change request in principle, we ask the AEMC to provide clarity on how the rule change, if made, could impact the liability of other Liable Entities in its Draft Determination for stakeholder consideration. Our expectation is that the liability of other Liable Entities would not increase, comparing “before” and “after” the rule change. However this outcome should be tested further with stakeholders and the AEMC should clearly indicate its views so that stakeholders can respond.

Further, if a final rule is made:

- AEMO and AER should consider whether updates to market guidelines on how reliability forecasts and instruments are made, are required.
- These updates should clarify how battery demand will be “backed out” of reliability forecasts and reliability instruments, with the objective that the liability of other Liable Entities should not increase (as above).

If you would like to discuss this submission, please contact me on 03 9060 0761 or [Selena.liu@energyaustralia.com.au](mailto:Selena.liu@energyaustralia.com.au).

Regards

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