

10 October 2024

Ilaria Barletta
Australian Energy Market Commission (AEMC)

Submitted via www.aemc.gov.au

Dear Ms Barletta,

Retailer reliability obligation exemption for scheduled bi-directional units (ERC0389)

Hydro Tasmania welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC's) consultation paper for the *Retailer reliability obligation exemption for scheduled bi-directional units (ERC0389)*. The Retailer Reliability Obligation (RRO) is designed to support reliability within the market, requiring all participants with annual consumption above 10 GWh to adequately contract their load during times of predicted future generation shortfall (reliability gaps).

Noting the intent of the RRO, **Hydro Tasmania supports the AEMC's draft determination in expanding the RRO exemption to include all storage assets** with annual electricity consumption above 10 GWh. It is not only scheduled bidirectional units (batteries) that are able to support grid stability during reliability shortfall periods – other types of storage are also able to provide fast frequency response and other essential system services.

The exemption will assist in addressing security risks more transparently and reduce market costs associated with managing those risks through other avenues. Additionally, the expansion of the exemption to include all types of storage represents a technology neutral approach. This is in line with the principles of good market efficiency, and we commend the AEMC for engaging with stakeholders and making a more preferable draft rule.

Hydro Tasmania supports the AEMC's operational proposal of applying the exemption to assets at market connection points via classification as 'exempt market connection points'. It is our view this represents the best option of exempting appropriate assets and integrated resource systems (IRs).

We welcome the opportunity to discuss any aspect of this submission further. If you wish to discuss, please contact Dani Williams at danielle.williams@hydro.com.au.

Yours sincerely,



Colin Wain
Manager Policy Development