



10 October 2024

Ilaria Barletta
Australian Energy Market Commission
Level 15, 60 Castlereagh St
Sydney NSW 2000

Dear Ms Barletta

RE: Retailer Reliability Obligation exemption for scheduled bi-directional units

Shell Energy Australia Pty Ltd (Shell Energy) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) draft determination on the Retailer Reliability Obligation (RRO) exemption for scheduled bi-directional units (BDU) rule change.

About Shell Energy in Australia

Shell Energy is Shell's renewables and energy solutions business in Australia, helping its customers to decarbonise and reduce their environmental footprint.

Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers, while our residential energy retailing business Powershop, acquired in 2022, serves households and small business customers in Australia.

As the second largest electricity provider to commercial and industrial businesses in Australia¹, Shell Energy offers integrated solutions and market-leading² customer satisfaction, built on industry expertise and personalised relationships. The company's generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120 megawatt Gangarri solar energy development in Queensland.

Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website [here](#).

General comments

Shell Energy supports the AEMC's draft rule to exempt scheduled BDUs and other specific storage assets from the RRO under specific scenarios. Under the AEMC's proposed rule, storage assets would need to be registered or classified as part of an 'Integrated Resource System' and have no other electricity consumption (except for the battery, pumps or its auxiliary load) measured at the connection point. This scenario would allow the storage asset to be also classified as an exempt market connect point. Load from exempt market connection points would then not be subject to compliance processes if the entity breaches the RRO.

¹ By load, based on Shell Energy analysis of publicly available data.

² Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2021.



Shell Energy considers the proposed solution to be a sensible one given its limited effect and impact. We consider this rule change will maintain the incentives for batteries and other storage assets to charge or store energy appropriately and continue to provide essential system services. There may also be additional benefits to other RRO liable entities through increased contract supply in advance of a T-1 gap period.

We also welcome the proposed start date for the rule change if 15 November 2024. Even though the most recent Electricity Statement of Opportunities report has not forecast a T-1 reliability gap, implementing this rule change as early as possible provides clarity for Integrated Resource Providers operating in the market now.

For more detail on this submission, please contact Ben Pryor, Regulatory Strategy Lead (0437 305 547 or ben.pryor@shellenergy.com.au).

Yours sincerely

[signed]

Libby Hawker
GM Regulatory Affairs & Compliance