

Ms Anna Collyer
Chair
Australian Energy Market Commission
PO BOX A2449
Sydney South NSW 1235

30 January 2025

Dear Ms Collyer,

Re: Issues paper - Review of the system restart standard

Tesla welcomes the Issues Paper from the Australian Energy Market Commission (AEMC) to launch a Review of the System Restart Standard.

Tesla's mission is to accelerate the transition to sustainable energy. A key aspect of this will be using smart, grid-forming inverters to support increased penetration of variable renewable energy (VRE) in the grid. We believe that battery energy storage system (BESS) assets, particularly Tesla Megapacks operating with Virtual Machine Mode (VMM) technology, offer a scalable and cost-effective solution for system strength and grid restoration. These assets have the potential to play a significant role in System Restart Ancillary Services (SRAS) by providing rapid, controlled power restoration (black-start) across all Australian jurisdictions.

Tesla has provided black-start capability in other markets, most famously with the 185MW/565MWh Kapolei Energy Storage facility (KES) in Oahu, Hawaii, which is described as the 'ultimate pacemaker for the grid'.¹ The KES's ability to perform black-start functionality, among a suite of other grid-forming services such as FFR and synthetic inertia, means it is possible to retire and replace coal powered generation and functionality – Hawaii's last coal power plant closed in the back half of 2022.

Tesla looks forward to working with the AEMC and the Reliability Panel on discussing appropriate commercial incentives and technical considerations to enable grid-forming batteries to be an eligible provider of SRAS before June 2027 procurement. We welcome the opportunity to hold a 1:1 workshop to share detailed engineering insights around site configuration requirements and operational capabilities of grid-forming BESS.

Kind regards,

Tesla Energy Policy Team

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¹ <https://www.canarymedia.com/articles/energy-storage/hawaii-building-huge-new-battery-bidding-farewell-to-coal>