



Integrating storage – options paper: stakeholder feedback template

The template below has been developed to assist stakeholders in providing their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

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Questions		Feedback
Chapter 1 – Registration and participation framework		
Question 1: Registration and classification (p. 17)		
1	Is introducing a new participant category, an Integrated Resource Provider (option 4), to better facilitate entry and participation of storage and hybrid facility, more preferable than modifying existing participant categories (option 3)? Are either option 3 or 4 more preferable to options 1 and 2?	Yes – It is important to make it clear to industry that a connection point with both storage and generation including hybrid facilities needs to be classified as an integrated resource provider. (IRP) A single DUID should be provided and recovery costs should be based on the imported and exported energy from the connection point.
Question 2: Classifying MSGAs (p. 18)		
1	Do you agree that, if an Integrated Resource Provider category (option 4) is established, battery aggregators should use that category and MSGAs should not be allowed to classify storage units exempt from the requirements to register as a Generator? And in that case, should the current arrangements regarding the	No – It should not exclude MSGA from being able to participate as an IRP. A MSGA site with both storage and generation should be able to register as an IRP and participate in ancillary services markets providing the MSGA can demonstrate technical capability to participate. Connection points with an import or export capacity of 5MW should be exempt from registration. It should not be based on the current name plate capacity of the site (Currently how AEMO assesses sites for registration purposes)

Questions		Feedback
	provision of market ancillary services by MSGAs be maintained?	
Question 3: Existing storage participants (p. 19)		
1	Should existing storage participants be transitioned to a single participant category (as they are currently registered as both a Market Generator and Market Customer)?	Yes – The standard should be set any sites with both storage and generation should be classified as an IRP irrespective of when they were registered.
Question 4: Scheduling of hybrid facilities (p. 20)		
1	What proportion of a hybrid facility's sent-out generation capacity would need to be dispatchable for the whole of the hybrid facility's sent-out generation to be able to follow dispatch instructions, under a single DUID?	A connection point with both storage and generation should be considered as an IRP irrespective of the proportion.
2	Would a dynamic approach to scheduling obligations, for example shifting between scheduled and semi-scheduled obligations based on the state of charge of the storage unit, be appropriate, and how should this operate?	No - A connection point where 5MW import or export is exceeded should be required to register and participate in AEMO central dispatch. Sites with an import or export capacity less then 5MW should not be required to register or participate in central dispatch.
3	Could the same approach be taken to scheduling load where storage is added to a Market Customer's site, or should different considerations apply?	No comment.
Question 5: Number of price bands (p. 21)		
1	Do you agree that 20 price bands would be appropriate for grid-scale batteries or would another number of bands be more appropriate?	Yes – The current price band arrangement is sufficient.
Question 6: Dispatching hybrid facilities (p. 21)		

Questions		Feedback
1	Are there certain configurations of hybrid facilities that cannot, or should not, be dispatched at a single connection point?	No – All connection points with both storage and generation including hybrid should be classified as an IRP
2	What benefits are achieved by dispatching a hybrid facility at a single connection point, and what issues arise?	All connection points with both storage and generation including hybrid should be classified as an ISP this will provide clarity to industry on how to classify sites.
Question 7: Performance standards (p. 22)		
1	What issues may arise if performance and access standards are set at the connection point for hybrid facilities? Would these standards need to be amended to provide appropriate flexibility for hybrid facilities?	No Comment.
Chapter 3 – Recovery of non-energy costs		
Question 8: Options for the recovery of non-energy costs (p. 27)		
1	Which option do you consider to be the most appropriate for the recovery of non- energy costs from market participants? Please provide detail on why it would be the most appropriate option.	(Option 3?) - Non-Energy recovery costs should be “netted” based on imported and exported energy at the connection point for the IRP. I.E If an IRP is importing energy in a trading interval during a lower FCAS event it should be recovered from. If an IRP is Exporting energy in a trading interval during a raise FCAS event it should be recovered from. Net recovery charges should be applied for the net import/export at the connection point within the trading interval.
2	Are there any other factors the Commission should consider when deciding how non-energy costs should be recovered from market participants?	Non-Energy recovery costs should be “netted” based on imported and exported energy at the connection point for the IRP, it should be recovered from all energy participants equally regardless of the participants category.
3	Are there any implementation issues the Commission should consider?	Yes – Managing the retrospective adjustment of existing sites may be challenging, however once implemented it will provide clear guidelines to industry for future applications.

Questions		Feedback
Chapter 4 – Additional issues relating to storage		
Question 9: Network service provider connection points (p. 34)		
1	Do you support the solution outlined in this options paper for resolving the potential issues with establishing standards for NSP owned energy storage?	No Comment.
2	If not, do you consider there to be other potential solutions for resolving this issue?	No Comment.
Question 10: DC coupled systems (p. 38)		
1	What capital, operational or efficiency benefits do DC-coupled systems provide participants and the NEM as a whole, and how might these benefits help consumers in line with the NEO?	Generation assets with a name plate capacity of 5MW or less are currently exempt from registration with AEMO. Consideration should be provided to import, and export capacity at the connection point of a site as opposed to name plate capacity. This would promote both AC and DC coupled systems to be integrated into the NEM. Any sites with both storage and generation should be classified as an IRP.
2	Do you support amending the NER to permit the registration and operation of DC-coupled systems? If so, how should they register and operate?	Yes – Single DUID – IRP - A connection point with both storage and generation should be considered as an IRP irrespective if it is AC or DC coupled. Non energy costs should be recovered from based on netting of imported and exported energy, with the understanding that DC coupled systems will never import energy other than auxiliary load.
Question 11: Provision of ancillary services (p. 40)		
1	Do you support AEMO's proposal to redraft ancillary services provisions in Chapter 2 of the NER to make it more consistent with the services approach to regulation currently being considered by the ESB's two-sided market work? Please explain why or why not.	Yes – Provision should be made for all participants to participate in ancillary services including MSGA and IRP, it should be based on technical ability not participant category