



Ausgrid Response

AEMC Draft determination on fast frequency market ancillary services

June 2021



03 June 2021

Ms Anna Collyer
Chair
Australian Energy Market Commission
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Submitted online

Dear Ms Collyer,

Ausgrid is pleased to provide this submission to the Australian Energy Market Commission's (AEMC) draft rule determination on fast frequency response (FFR) market ancillary services.

There are significant changes occurring across the energy market in Australia. We are moving from a system dominated by one-way flows of energy from large-scale thermal generators towards a more renewable and distributed energy market, where small-scale and intermittent generation forms an important part of the energy mix. This shift has seen energy customers take greater control of their energy bills and have more influence on the energy supply chain. Customers' still expect the upstream network to reliably operate to absorb, transfer and/or supply energy. Dependable and efficient ways of providing frequency response, including FFR, are an important element in meeting this expectation at lowest cost.

The development of FFR services are key to the evolving NEM and establishing a new framework to incentivise investment in frequency response services will support a more reliable and secure power system. This includes unlocking additional value from existing network assets such as dynamic voltage management. It is important that regulatory arrangements including service classification and ring-fencing requirements do not unduly constrain the efficient use of existing network assets in providing FFR services.

Given the need for these services Ausgrid supports them being available as soon as possible and we would support the three year implementation timeframe being brought forward if possible. For example the 18 month time frame for the amendment of the market ancillary services specification (MASS) appears overly long, given its current review is only taking seven months.

Should the AEMC have any questions in relation to this submission, please contact Nathan Laird, Planning Policies and Procedure Manager on 02 9160 6853 or nathan.laird@ausgrid.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Junayd Hollis", written in a cursive style.

Junayd Hollis
Executive General Manager – Asset Management

Thank you

