



27/06/2019

Olga Iaroshevskaja  
Australian Energy Market Commission (AEMC)  
Level 6, 201 Elizabeth Street  
NSW, 2000

Via electronic lodgement

Dear Olga,

**Re - Monitoring and reporting on frequency control frameworks: ERC0273**

Mondo appreciates the opportunity to comment on the AEMC's Consultation Paper into monitoring and reporting on frequency control frameworks.

Mondo provides a variety of contracted transmission and distribution services, including grid connections for new generators, battery energy storage systems and aggregation of distributed energy resources.

The AEMC frequency control frameworks review final report published in July 2018 concluded that there is a lack of transparency regarding the:

- general performance of FCAS markets
- frequency performance of the power system under normal operating conditions.

We concur with these conclusions, and note that improving transparency in these areas will better enable us, as well as other stakeholders, to better understand the current and emerging challenges with power system frequency control. In seeking to understand these issues, stakeholders will need insight into the trends relevant to frequency control management, as well as the key contributing drivers.

By having information about the issues, trends and drivers, we and other stakeholders will be better positioned to identify and implement new services and solutions.

We note that the Rule change proposals from the AEMO and the AER seek to improve information transparency around frequency control issues and existing FCAS markets.

Specifically the changes would place reporting requirements on the AER to publish quarterly reports on:

- total FCAS costs

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- volumes, prices and number of participants for each of the FCAS markets
- commentary on key trends.

To ensure that these AER quarterly reports are effective in promoting deeper insights and effective stakeholder response, we suggest that the reports examine the drivers that are contributing to the observed costs, volumes and trends. This would include performance, technology and seasonal drivers.

The AER reports should also include examination of all key parameters within each of the individual FCAS markets, both regionally and globally across the NEM. In addition, a consolidated report encompassing all FCAS markets and all regions would provide a useful overview.

The Rule change proposes obligations for AEMO to publish weekly reports on:

- frequency performance against set measures
- regulating FCAS dispatched by AEMO per region
- measures indicating the average utilisation of regulating FCAS dispatched.

Similar to the comments above relating to the AER reports, we request that AEMO provide these reports in a manner that promotes stakeholder engagement and response. For example, the AEMO reports may include a baseline analysis of frequency control performance for the reporting period, as well as specific examination of periods of time where power system frequency deviates outside of agreed thresholds.

We would encourage AEMO to provide both qualitative and quantitative report formats. The qualitative reports should include AEMO commentary on what they see as the key issues and drivers. In addition, AEMO should be required to provide relevant data in sufficient granularity to enable stakeholders to undertake their own analysis and modelling. This is more likely to enable innovation and creative thinking towards identifying solutions to ongoing effective frequency control.

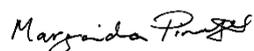
As well as providing data with sufficient granularity, AEMO should also be required to make available historical data that enables stakeholders to perform their own analysis and modelling of trends over longer periods of time. This should allow stakeholders to understand trends and gauge opportunities to provide an existing frequency control service, or participate with FCAS markets in other ways.

As our business seeks to identify and implement projects that contribute to the energy market and support services, improving the transparency around frequency performance and FCAS markets will assist us in these endeavours. Although the proposed changes would place additional obligations on both the AER and AEMO, these fit well with the existing skills and resources available within these two organisations. As such, we believe that these new obligations will not impose an unreasonable burden on the industry.

Mondo supports the Rule changes, along with the specific suggestions included in this submission.

We hope that our comments assist the AEMC in its deliberations on this consultation. Please don't hesitate to contact me either by email or on 03 9695 6061 if you have any further inquiries.

Yours sincerely



**Margarida Pimentel**

**Manager Policy and Insights**