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Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Submitted by email to aemc@aemc.gov.au

Project number: ERC0257

Monitoring and Reporting on Frequency Control Framework Consultation Paper

Snowy Hydro Limited welcomes the opportunity to respond to the Australian Energy Market Commission's (the Commission) Consultation Paper to the rule change requests submitted by the Australian Energy Regulator (AER) and the Australian Energy Market Operator (AEMO) for Monitoring and Reporting on Frequency Control Framework.

Snowy Hydro Limited is a producer, supplier, trader and retailer of energy in the National Electricity Market (NEM) and a leading provider of risk management financial hedge contracts. We are an integrated energy company with more than 5,500 megawatts (MW) of generating capacity. We are one of Australia's largest renewable generators, the third largest generator by capacity and the fourth largest retailer in the NEM through our award-winning retail energy companies - Red Energy and Lumo Energy.

Snowy Hydro supports the intent of both rule change requests which seek to amend provisions of the National Electricity Rules (Rules) to improve information transparency around frequency control issues and existing frequency control markets. The proposed rules seek to make current reporting more consistent and predictable which will provide a transparent means by which all affected parties can understand the frequency performance of the system¹. It is important for market participants to have access to ongoing monitoring and reporting on frequency performance on a regular basis with information collated and published in a way that is accessible to all stakeholders so as to identify trends about the number of providers in each of the FCAS markets, the total enablement costs and the amount of each service that is actually required.

The rules however should not be too prescriptive with metrics that are slow to adapt to changing system circumstances. With a changing NEM environment additional reporting and monitoring metrics may be required, so instead of defining these in the rules, they should be subject to a thorough consultation process to ensure transparency to stakeholders and to ensure the relevance of each new metric.

With the proposed rules seeking to make current reporting more consistent and predictable it is important for market participants to understand the data sources AEMO are proposing to use in order to assess frequency. Snowy Hydro seek to have a greater understanding in how AEMO will be assessing frequency and whether the following data sources will be included:

- Frequency monitoring points (i.e. points on the grid where performance judgement is going to be assessed);
- Frequency monitoring technical specifications (e.g. data points, measure accuracy, resolution etc); and;

¹ AEMC, Monitoring and reporting on frequency control framework, Consultation paper, 30 May 2019

- Technology ownership (i.e. who owns, who maintains, etc)

In addition, the Consultation Paper also proposes an obligation to publish quarterly reports on which it includes AEMO assessing “*automatic governor control (AGC) estimates of the additional electrical power required to be produced or consumed to correct a given power system frequency deviation (commonly referred to as "area control error")*”.² In this case, care should be taken in proposing the need for changes to governor action and control systems response without trials with market participants prior to forming a view of the need for the use of Primary Frequency Response.


Snowy Hydro appreciates the opportunity to respond to the Consultation Paper. Any questions about this submission should be addressed to Panos Priftakis, Regulation Manager, by e-mail to panos.priftakis@snowyhydro.com.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K Ly', with a long horizontal stroke underneath.

Kevin Ly
Head of Wholesale Regulation
Snowy Hydro

² AEMC, Monitoring and reporting on frequency control framework, Consultation paper, 30 May 2019

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