

24 March 2023

James Tyrrell
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Project reference code: **ERC0351**

Submitted via webpage

Dear Mr Tyrrell,

Implementing Integrated Energy Storage Systems Rule Change Proposal 2023

Thank you for the opportunity to respond to the Implementing Integrated Energy Storage Systems Rule Change Proposal 2023. The Consultation Paper has explained AEMO's proposals very well and has given stakeholders a good opportunity to provide feedback on the proposed amendments. As a result, AEMO provides limited feedback, related solely to the Aggregate Dispatch Conformance (ADC), (Question 1.4).

AEMO wishes to clarify the following points to assist with your considerations.

Extend aggregated dispatch conformance (ADC) to all generating systems

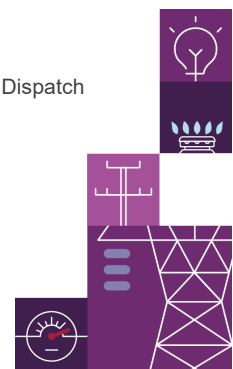
AEMO considers generating units should be able to participate in ADC, as opposed to Integrated Resource Systems (IRSs) only. If the amendment is made, AEMO will amend SO_OP_3705 Dispatch Procedure (Procedure) to allow scheduled resources within a generating system to participate in ADC. AEMO has used the definitions of integrated resource systems (IRS) and generating systems (GS) to provide for the types of aggregates that can be included.

For Question 1.4 of the Consultation Paper, AEMO intends the Procedure to operate to include ADC for generating systems with multiple physical connection points. The Procedure defines the term generating systems with reference to an aggregate, or an aggregate system that would participate in ADC. AEMO has adopted this approach to move away from the term "hybrid", given that the term has not been defined in the NER.¹

Accordingly, AEMO will amend section 2.6 (a) of the Procedure to remove the reference to ADC applying to systems "located behind a single connection point":

~~**"Under NER clause 11.145.16, A Generator with a generating system, or part of a generating system, located behind a connection point that comprises two or more of the following scheduled resources"**~~

¹ Note that the definition of 'aggregate' or 'aggregate system' in the Dispatch procedure is further reinforced by section 1.1 of the Dispatch Procedure, which provides that the NER/NEL will "prevail over these Procedures to the extent of any inconsistency."



Eligibility for Aggregate Dispatch Conformance

The definition of Integrated Resource System (IRS) under paragraph (a)(2) states

a system comprising one or more generating units where the connection point for the system is used to supply electricity for consumption on the system side of the connection point

This definition, while written in the singular for ‘connection point’, could also be a system with multiple physical connection points registered as an IRS. AEMO does not see any barriers for IRS behind multiple physical connection points, even though currently the dominant aggregate seen in the NEM is behind a single physical connection point.²

Some of AEMO’s provisions for allowing IRS behind multiple physical connections points are available through the NEM Generator Registration Guide (Guide). The Guide³ notes:

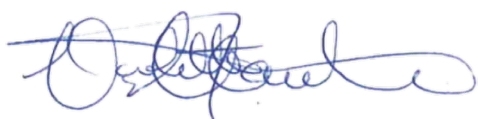
As referred to in the Rules, a connection point can refer to multiple physical points...In all cases, AEMO will require the Generator to register as a Customer and classify the connection points that consume electricity as a market load...:

Other provisions in the Guide include:

- geographical location; and
- conditions of registration, as applicable.

For any questions on this submission, please contact Kevin Ly, GM – Reform Development & Insights at kevin.ly@aemo.com.au.

Yours sincerely,



Violette Mouchaileh

Executive General Manager Reform Delivery

² The definition of *child connection point* in Chapter 10 of NER *The agreed point of supply between an embedded network and an electrical installation, production unit, or other network connected to that embedded network, for which a Market Participant is, or proposes to be, financially responsible.*

³ AEMO NEM Generator Registration Guide, Appendix A.1.2.2, accessed via https://aemo.com.au/-/media/files/electricity/nem/participant_information/registration/generator/nem-generator-registration-guide.pdf?la=en