



14 September 2023

Rachel Thomas
Project Leader
Australian Energy Market Commission
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Sydney NSW 2000

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Lodged via [the AEMC's website](#)

Dear Rachel,

AEMC's Integrating price-responsive resources into the NEM consultation paper

Jemena Electricity Networks (**JEN**) welcomes the opportunity to respond to the Australian Energy Market Commission's (**AEMC**) *Integrating price-responsive resources into the NEM* consultation paper (**Paper**).

JEN owns and operates the electricity distribution network supplying electricity to more than 370,000 customers in the northwest region of greater Melbourne. The Australian Energy Market Operator's (**AEMO**) proposed rule change would directly impact JEN and our customers, including owners and operators of unscheduled price-responsive resources in JEN's network.

While JEN is supportive in principle of integrating these resources into the planning and operation functions of the National Electricity Market (**NEM**), the rule change request is complex and will require extended consideration by stakeholders to ensure that unintended consequences are avoided. For this reason, we support the AEMC's proposal in the Paper for the establishment of a technical working group. This would provide an opportunity to JEN, other distribution network service providers (**DNSPs**) and any other interested stakeholders to work closely with the AEMC and AEMO to examine and address the implications of the proposed rule change. Consideration should also be given to the need for extending consultation timeframes to allow enough time to identify and address all relevant issues.

By way of example, through our initial consideration of the proposed rule change, we have identified communications and functional requirements that the rule change may impose on JEN distinct from some other networks. Other larger electricity DNSPs utilise connections based on the Inter-Control Centre Communications Protocol (**ICCP**) to exchange critical data about managing the electricity system with AEMO. In contrast, JEN communicates this data with AEMO through remote terminal unit (**RTU**) to RTU-based connections and via the transmission network. Our initial analysis is that the proposed rule change would require JEN to adopt an ICCP-based connection with AEMO, like other networks, to provide necessary supervisory control and data acquisition system functionality to support the integration of unscheduled price-responsive resources. This would involve changes to our network and processes which we would need sufficient time to identify and plan. However, we require further information about the proposed rule change to fully understand its implications.

Should the rule change progress, it will be important for clarity to be provided about the required timing of JEN's investment in and implementation of such necessary changes, alignment with the timing of other reforms and changes, and other implications. Establishing a technical working group would provide a valuable opportunity for AEMC and AEMO staff to work closely with stakeholders to examine these issues together in detail.

Thank you for the opportunity to respond to the Paper. We would be happy to discuss our feedback further with AEMC staff and facilitate further input from key JEN staff as needed.

If you have any questions regarding this letter, please contact me on 03 9173 7000 or matthew.serpell@jemena.com.au.

Kind regards,

A handwritten signature in black ink that reads "Matthew Serpell". The signature is written in a cursive, flowing style.

Matthew Serpell
Manager Electricity Regulation and Compliance
Jemena Electricity Networks