

To whom it may concern

Australian Energy Market Commission

Submission made online at www.aemc.gov.au

14 September 2023

Subject: ERC0352 – Integrating price-responsive resources into the NEM – Consultation paper

SA Power Networks welcomes the opportunity to provide feedback in response to the above consultation paper regarding AEMO’s ‘Scheduled Lite’ rule change proposal.

We understand AEMO’s concern that increasing volumes of price-responsive but unscheduled resources will impact on the efficiency of the NEM dispatch process. We do not have strong views on the specific mechanisms proposed for ‘Scheduled Lite’ as we consider that this is more of a matter for AEMO and market participants, but, in our view, it will be very important to maximise the opportunity of flexible distributed resources such as VPPs to participate in the energy market, and so any reforms in this area will need to balance the needs of the market and the system against the risk of discouraging participation through requirements that are too onerous.

We consider that, as a minimum, any party that aggregates more than a threshold amount (e.g. 5MW) of resources that are actively controlled or configured to change their behaviour in response to actual or expected changes in wholesale market price should:

- be registered with AEMO and, through this registration, be visible to the DNSP(s) on whose networks their resources connect;
- provide data on their flexible capacity, updated regularly, preferably including the set of NMIs under control, not just the aggregated capacity, so that DNSPs can identify if local ‘hotspots’ in the distribution network could become overloaded when aggregators dispatch their resources; and
- have firm obligations under the rules to meet relevant system and network security requirements commensurate with the potential for their resources to impact on the operation of the system, e.g.:
 - adhere to maximum ramp rates;
 - adhere to any localised limits on the amount of flexible capacity in a particular network area set by the DNSP based on local network capacity (including both fixed limits and dynamic operating envelopes where applicable);
 - not operate in a way that could destabilise the system or impact negatively on quality of supply for customers e.g. ramp rates;
 - obey emergency directions issued by AEMO or the DNSP; and
 - maintain standing data on the amount of price-responsive resource under their control (including resources configured to operate autonomously and resources operated by a

third party, where the configuration or operation is guided by the intent of the market participant).

The provision of standing data on price-responsive resources, updated regularly, would assist with efficient network capacity planning, help protect the network from localised quality of supply issues or outages where such resources (potentially from more than one aggregator) are concentrated in a local area, and enable the production of more efficient DOEs.

The more real-time data on intended operation envisaged under the 'scheduled lite' models could potentially be integrated in network operations in future and confer additional operational benefits. We are, however, still some years away from having the level of sophistication in our network management systems to make use of such data, so we see this as primarily required for wholesale market integration in the near term. That said, to the extent one of the proposed models goes ahead, we support including the real-time provision of data on the intended operation of the aggregated resources to the DNSP.

We look forward to continuing to engage constructively with the AEMC, AEMO and other stakeholders on this and related reforms intended to facilitate the ongoing integration of customer energy resources into the NEM. In the meantime, if the AEMC has any questions on any aspect of our response, please contact Bryn Williams, Network Strategy Manager, at bryn.williams@sapowernetworks.com.au.



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