



Tuesday, 8 October 2024

Ms Anna Collyer
Chair, AEMC

ERC0389 Retailer reliability obligation exemption for scheduled bi-directional units

Dear Ms Barletta,

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia, representing nearly 1,000 of the leading businesses operating in renewable energy, energy storage, and renewable hydrogen. The CEC is committed to accelerating the decarbonisation of Australia's energy system as rapidly as possible while maintaining a secure and reliable supply of electricity for customers.

We welcome the opportunity to provide comments on the draft determination *Retailer reliability obligation (RRO) exemption for scheduled bi-directional units (BDUs)*.

The CEC broadly agrees with the preferred rule change proposed by AEMC to exempt all forms of energy storage from RRO compliance. Despite different modes of producing the electrons, energy storage technologies have a similar mode of operation that relies on being sufficiently charged to provide both energy and system services.

We consider that accounting for a variety of plant configurations and their respective RRO obligation has provided a nuanced assessment. It is expected that more plants will consist of hybrid systems, with generation and storage co-located. Providing clarity with respect to each exempt market connection point will ensure market participants register the plant correctly. Alignment with the IESS registration classification further ensures participants co-ordinate the transition to Integrated Resource System by 3 December 2024.

We support the premise of the rule change – that energy storage will respond to market signals and not charge during high price periods unless required to do so to be prepared to meet any system security requirements in the case of peak demand or voltage control later in the day. We also note that not exempting co-located storage with other loads that exceeds 10GWh per annum, allows for load to remain liable in line with the intent of the RRO instrument.

In the final determination, AEMC should also note how exempt entities are going to be accounted for in the calculations that determine the reliability gap in the Electricity Statement of Opportunities. It remains unclear how the RRO obligation is imposed on those remaining liable entities, considering that the exemption also applies to “new entrants”.

Considering the narrow scope of this rule change and the analysis that has informed the draft determination, we support the implementation timeline.

Overall, the CEC sees this change as addressing the unintended consequence of how the RRO obligation is applied to energy storage and welcomes the improvement.

The CEC looks forward to the final determination and any further queries can be directed to Ana Spataru on aspataru@cleanenergycouncil.org.au.

Kind regards

Christiaan Zuur
Director, Market, Investment and Grid