VIOTAS

VIOTAS Australia Pty Ltd
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Australian Energy Market Commission

Re: Review of the Integrated System Plan framework

Dear AEMC,

VIOTAS welcomes the opportunity to respond to the Commission's review of the Integrated System Plan framework.

VIOTAS is an aggregator and enabler of demand-side resources, with experience connecting, monitoring and controlling large energy users and distributed assets using real-time telemetry, forecasting, optimisation and automated dispatch. VIOTAS supports a framework that represents realistic participation of CER and demand-side resources under multiple scenarios and recognises that clear price signals are required to ensure future participation from these resources.

More accurate and co-optimised modelling of CER and demand-side resources

Including demand-side resources as a fixed-value input ignores the price-sensitivity of these resources. They will not participate if not sufficiently compensated.

VIOTAS therefore supports improving the modelling of CER and demand-side resources in the ISP to be more dynamic, realistic and co-optimised. VIOTAS would support SP4, but understands that this is likely take longer to achieve, so would suggest SP3 as a pathway towards SP4 and further developments in this area.

We are supportive of the intention of the CSIRO's FlexCost project to determine participation at various price levels and are interested to see the progress made in year 2.

Clear price signals are required to ensure future demand-side participation

AEMO's 2026 ISP projects growth in demand-side resources, with over 2 GW available for use by 2050 (Step Change). VIOTAS believes that current price signals do not support this growth and this should be addressed as a planning shortfall could lead to issues such as reliability gaps and emergency intervention.

AEMO states that consumer actions bring system wide benefits and that “demand flexibility reduces grid-scale investment”[1]. So, there is reason to support demand-side participation, particularly from large industrial consumers.

But C&I flexibility is not free. Participation can involve lost production, restart costs, labour, equipment wear risks, backup-fuel costs and the unintended impact of the response on network costs and connection agreements. Clear price signals and an understanding on the secondary impacts are required to ensure future participation.

High spot prices or occasional activation payments alone may not be sufficient: they are too rare and uncertain to fund the set up required (C&I controls, telemetry and operational disruption) to have these resources available. Having capacity join following a period of high market price is not optimal. A combination of availability payments and activation payments would provide a more credible basis for engagement with participants and for including flexible demand in forecasts.

VIOTAS would welcome further engagement with the Commission.

Sincerely,

Amelia Bennett
Market Operations Manager

[1] 2026-integrated-system-plan-isp.pdf