

21 October 2017

Ben Noone
AEMC

Dear Ben,

Re: 5-Minute Settlement Draft Determination

Reposit commends the AEMC on its 5-minute settlement draft determination. Reposit considers the draft determination to strike the right balance between evolving the NEM to meet new challenges, and promoting its stability and security.

Key to striking this balance is the specification of the three year and seven month transition period. This period will allow participants to continue operation under existing financial contracts, while preparing new contracts with 5-minute settlement in mind. It will also provide ample time for participants to make the IT and metering investments required to successfully transition to 5-minute settlement.

The transition period will also serve as nursery for fast-responding generation and storage technology. Reposit is planning for at least 3.5 GW of residential and commercial electricity storage capacity to be available to the market at the end of the transition period.

This buildup of capacity will be driven by the continuing rapid growth in residential electricity storage, the imminent arrival of cost-effective commercial electricity storage, and the introduction of new battery technology to the market.

Reposit has seen more than 400% fleet growth in residential installations over the past 12 months. This runs counter to some industry research but is consistent with information from Reposit's battery partners and distribution network customers. Commercial installations of electricity storage are beginning to be made as manufacturers bring higher capacity equipment to the market. These installations are being made with at least eleven times the electricity storage kW capacity of a typical residential site.

New battery technology relevant to 5-minute settlement has already begun to enter the market. The chemical electricity storage manufacturer BYD has begun sales and installation of batteries that are able to sustain twice the power transfer to/from a kWh without an increase in the kWh cost. The effect on the market will be that kW will be available to the market at 50-65% of the current cost over a 5-minute trading period. We expect competing manufacturers to respond similarly.

Reposit considers the move to 5-minute settlement to be an essential part of future NEM security. A final determination in its favor will allow end-users, investors, businesses, manufacturers and participants to begin readying themselves to be part of a better NEM.

Thank you for considering our submission.

Yours sincerely,



Dean Spaccavento
CEO