



Su-Min Lim  
Australian Energy Market Commission  
Level 6, 201 Elizabeth Street  
Sydney NSW 2000  
Lodged via [www.aemc.gov.au](http://www.aemc.gov.au)

Friday, 13 May 2016

Dear Su-Min Lim,

**RE: Registration of proponents of new types of generation (ERC0204)**

ENGIE appreciates the opportunity to comment on the Australian Energy Market Commission (AEMC) consultation paper on the proposed national electricity rule change relating to registration of proponents of new types of generation.

ENGIE is a global energy operator in the businesses of electricity, natural gas and energy services. ENGIE is the number one independent power producer in the world with 115.3 GW of installed power-production capacity, 19 GW of which is renewable. ENGIE employs 1,800 people in Australia and supplies 12 per cent of Australia's National Electricity Market, and has an installed generating capacity of more than 3,550 MW. ENGIE also owns Simply Energy which provides electricity and gas to more than 550,000 retail customer accounts across Victoria, South Australia, New South Wales and Queensland.

ENGIE understands that the purpose of the proposed rule change is to clarify that the rules on eligibility for registration as a Generator are technology-neutral. This question has been brought into focus with AEMO being concerned that the current definition of a 'generating unit' excludes forms of generation which do not convert mechanical energy into electrical energy, such as solar PV and battery storage.

Although battery storage is yet to become a significant component of electricity supply and demand in Australia, there are expectations of continued reductions in battery storage costs, increasing customer desires for electricity supply autonomy and network businesses seeking alternatives to traditional grid capacity. These factors are likely to see future growth in the level of battery storage, although the extent and speed of this growth is difficult to predict at present.

Much of the current focus is on the potential for battery storage within individual households – so called “behind the meter” installations. Such small-scale installations would not need to be registered with AEMO as they would be

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below the threshold for registration in the national electricity market (5 MW) and therefore would not be subject to the national electricity rules definition of generating unit.

There is the potential for larger scale battery storage installations to be developed, as well as for aggregators to consolidate a number of smaller scale installations in order to provide a more substantial aggregate capability. ENGIE understands that there are already some developers looking to utilise aggregated battery storage facilities to provide frequency control ancillary services in the national electricity market. To do this, such aggregators would need to register with AEMO as either a generator or a load.

ENGIE believes that there is still an open question of whether battery storage should be registered as a generator or a load or both, but before this question can be progressed, it is important that the current requirement that generators convert mechanical power into electrical power be amended.

ENGIE supports the view that battery storage is an emerging technology that needs to be accommodated within the regulatory framework of the national electricity market. For this reason, ENGIE supports the rule change as proposed by AEMO.

ENGIE trusts that the comments provided in this response are of assistance to the AEMC in its deliberations. Should you wish to discuss any aspects of this submission, please do not hesitate to contact me on, telephone, 03 9617 8331.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Chris Deague". The signature is fluid and cursive.

**Chris Deague**  
Wholesale Regulations Manager