



Acciona Energy Australia Global Pty Ltd
Level 38, 360 Elizabeth Street
Melbourne VIC 3000
Tel: +61 3 90271000
Fax: +61 3 90271001
www.acciona.com.au

11 February 2021

Ms Anna Collyer
Chair – Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged via www.aemc.gov.au

Dear Ms Collyer,

ERC0280: Integrating Energy Storage Systems into the NEM

Acciona Energy Australia Global Pty Ltd (**Acciona Energy**) appreciates the opportunity to comment on the Australian Energy Market Commission's (AEMC's) options paper in relation to the integrating energy storage systems into the National Electricity Market (NEM) rule change proposal.

Acciona Energy has reviewed the Rule change proposal and the options paper released by the AEMC and support the intention to change the rules framework to provide greater clarity and flexibility for market participants. Please note the following comments on some of the areas that the AEMC has requested feedback on.

Registration and Participation framework

Acciona Energy agrees that the current framework is complex and does not provide sufficient clarity when it comes to registration of energy storage systems in the NEM. Acciona Energy is of the view that the best approach is to define Storage connections through a single registration category, so multiple registrations are not required for utility-scale storage or hybrid facilities and to have a clear framework for managing hybrid connections behind a single point of connection. It is important that participants are given flexibility to manage their storage asset, to be able to optimise its performance both for their benefit and that of the market. This would include the ability to directly charge a storage asset from a co-located renewable generator, without receiving dispatch instructions, to reduce the need to spill energy during periods of grid congestion.

Acciona Energy has significant concern regarding the options that propose the scheduling of all units in hybrid assets. Scheduling of renewable energy generators such as wind and solar farms will in most cases be unfeasible without significant storage capacity. The AEMC raises a possible variant of this approach using dynamic scheduling based on the state of charge of the storage unit, but this is likely to further complicate the operation of hybrid assets. Scheduling renewable energy generators which are part of hybrid assets is counterproductive to the intent of this rule change to provide greater certainty and simplicity to the connection of storage and hybrid assets.

Number of bid bands

Acciona Energy agrees that there needs to be a minimum of 20 price bands to provide participants with greater flexibility.

Application of performance Standards

Acciona Energy believe that the framework should allow flexibility to define the performance standard either at the point of connection or at the standalone battery system or the hybrid facility (subject to negotiation with NSP and AEMO).

Provision of Ancillary Services

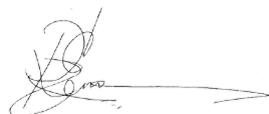
Acciona Energy is generally supportive of the simplified drafting approach for ancillary service provisions proposed by AEMO, to bring drafting more in line with services rather than assets. This will promote competition and innovation by providing more flexibility for participants to provide new services.

DC Coupled systems

The NER does not provide sufficient guidance to integrate generating systems with different technologies behind a single inverter. Acciona encourages the AEMC to further consider the issues associated with the potential solution where a single set of performance obligations would be applied at the point of connection. DC coupled systems provide more efficient and cost-effective approach to hybrid connections and ways to preserve this needs to be thought through.

If you would like to discuss any aspect of this submission, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kav De Silva', with a long horizontal line extending to the right.

Kav De Silva

Manager, Grid and Regulatory

Acciona Energy

kav.desilva@acciona.com