

Merryn York  
Acting Chair  
Australian Energy Market Commission  
201 Elizabeth Street  
Sydney NSW 2000

4 February 2020

Dear Ms York,

**Directions Paper: Frequency Control Rule Changes**

Enel Green Power (EGP) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC's) Directions Paper.

Founded in 2008, and part of Enel Group, EGP builds and operates large scale renewable generation capacity in energy markets around the world. EGP operates in 28 countries on 5 continents with a managed capacity of over 46 GW and over 1,200 plants. EGP is the largest privately owned renewable energy company in the world, generating approximately 100 TWh of renewable electricity from hydro, solar, wind and geothermal resources every year.

EGP wishes to express its support for the Clean Energy Council Submission. We generally consider markets are the best way to deliver products and services at the lowest cost, while ensuring technological neutrality, and maximising revenue opportunities for businesses.

Our preference is for a separate discrete market for Fast Frequency Response (FFR). We consider this will aid transparency and simplicity for providers of the service. It will also assist co-optimisation with other potential markets for essential services, for which FFR may act as a full or partial substitute (e.g. inertia).

We prefer to see the mandatory requirement for Primary Frequency Response (PFR) discontinued once the sunset date is reached. In our view, it creates excessive costs due to redundant provision and a lack of explicit incentives for innovation. It also destroys value in ancillary services markets. Arrangements for ancillary services demonstrate that markets are the best means for procuring, valuing and paying for essential system services.

Please feel free to contact Con Van Kemenade, Head of Regulatory Affairs, on 0439399943 to discuss anything we have raised in this submission.

Yours faithfully,



Werther Esposito  
Country Manager

Enel Green Power Australia