FLUENCE
A Siemens and AES Company

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June 7th 2022

Australian Energy Market Operator

RE: System Strength Requirements Methodology and System Strength Impact Assessment Guidelines amendments consultation

Dear Madam/Sir,

Fluence (Nasdaq: FLNC), a Siemens and AES company, is a global market leader in energy storage products and services, and digital applications for renewables and storage. As of February 10, 2022, the company has more than 4.2 GW of energy storage deployed or contracted in 30 markets globally, and nearly 6.0 GW of wind, solar, and storage assets optimised or contracted in Australia and California. Through our products, services, and AI-enabled Fluence IQ Bidding Application, Fluence is helping customers around the world drive more resilient electric grids and a more sustainable future.

Fluence is supporting new frontiers of storage capabilities and is one of the first battery-based energy storage providers to have submitted large-scale, low-cost grid forming inverter technology for GPS approval. We are currently providing a 50 MW / 50 MWh storage system in Broken Hill, New South Wales which utilises Fluence's 6th generation technology Gridstack and advanced inverter technology which will start and remain in grid-forming mode, with all inverters operating as a voltage source to support stable operations in areas of low system strength. We are also providing a 150 MW / 150 MWh energy storage system at the site of the former Hazelwood Power Station in the Latrobe Valley.

Fluence welcomes the opportunity to comment on the proposed amendments. In particular, relating to non-synchronous resources:

- In the near-future, an increasing number of inverter based resources, including battery-based energy storage systems will have grid forming capabilties, and will be able to provide services if they are valued sufficently. It will be important for AEMO to consider the implications on these proponents themselves and other proponents that wish to connect near these. It would also be useful to better understand how the Advanced Inverter White Paper and Engineering Framework overlap with this reform in more detail.

- Although welcome that clause S5.1a.9(b) defines stability of the voltage waveform, clearer info is needed on how the new description translate to how non-synchronous sources can best support this. We look to AEMO to provide further advice regarding the implications of using Available Fault Level (AFL) to assess the efficient level of system strength. Non-synchronous sources of system strength are rapidly emerging and undergoing demonstration on the broader power system. We hope that AEMO can mitigate the risk that NSPs may be restricted into only relying on synchronous sources.
- Non-synchronous resources can also support system restart and restoration. We encourage AEMO to consider these other system needs when planning for the location of system strength nodes.

Fluence looks forward to discussing this further. Please direct any inquiries to lara.panjkov@fluenceenergy.com or daksh.juneja@fluenceenergy.com

Sincerely,

[Signed]

Lara Panjkov

Manager, Market Development

[Signed]

Daksh Juneja

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