

27 November 2020



Ms Audrey Zibelman
Chief Executive Officer and Managing Director
Australian Energy Market Operator Limited
PO Box A2449
SYDNEY SOUTH NSW 1235

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Dear Ms Zibelman

Wholesale Demand Response Guidelines

Energy Queensland welcomes the opportunity to provide comment to the Australian Energy Market Operator (AEMO) in response to the *Wholesale Demand Response Guidelines Issues Paper* (issues paper). AEMO has requested feedback on proposed requirements and processes outlined in the issues paper related to the Wholesale Demand Response rule changes which will take effect from 24 October 2021.

Feedback from Energy Queensland on the matters raised in the issues paper is provided in the attached response template.

Should AEMO require additional information or wish to discuss any aspect of this submission, please contact me on 0467 782 350 or Charmain Martin on 0438 021 254.

Yours sincerely

A handwritten signature in cursive script that reads "Trudy Fraser".

Trudy Fraser
Manager Regulation

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AEMO Wholesale Demand Response (WDR) Guideline

Section / Question	Energy Queensland Comment
3. GUIDELINES SCOPE AND PRINCIPLES	
<p>Question 3.1: Would stakeholders like the Guidelines to cover any Additional Information relating to the supply of WDR, having regard to the trade-offs between flexibility and certainty and the Guidelines development timeline in Table 1? If so, should this Additional Information be included in the initial Guidelines, or added through a future amendment?</p>	<p>Energy Queensland considers that further detailed information is required as to how the new wholesale demand response (WDR) process will be implemented.</p>
<p>Question 3.2: To what extent do you agree with the proposed Additional Principles for developing and amending the WDR Guidelines?</p>	<p>Energy Queensland has no comment.</p>
<p>Question 3.3: Do stakeholders consider that AEMO should have regard to any other Additional Principles in developing or amending the Guidelines? If so, what are these and why?</p>	<p>Where wholesale demand response units (WDRU) are located in the distribution network, collaboration with distribution network service providers (DNSPs) is required to assess the risk to power system security. DNSPs are best placed to assess risks to system security posed by rapid ramp-on and ramp-off of load and, as such, provide advice to the Australian Energy Market Operator (AEMO) on where operational envelopes or disaggregation is required. The Guidelines should recognise and show this interdependence and points where input to and from DNSPs is required.</p> <p>Energy Queensland considers that management of WDR bids, which may be constrained by DNSP operational envelopes, should be the responsibility of the demand response aggregator and should not be calculated within the dispatch engine.</p>

Section / Question	Energy Queensland Comment
4. CLASSIFICATION AND AGGREGATION OF WDRUS	
<p>Question 4.1: Do stakeholders consider that any further requirements for classification or aggregation need to be stipulated in the WDR guidelines? If so, what are these and why?</p>	<p>In Energy Queensland's view, further consideration of the following matters is required:</p> <ul style="list-style-type: none"> • how response will be controlled from a DNSP perspective; • impacts resulting from response that is based on average loads rather than current actual loads; and • the quantity of data and communications required from DNSPs.
<p>Question 4.2: What further information do stakeholders consider should be included in the Guidelines in relation to AEMO's assessment of the potential power system security impacts of WDRU aggregation? What is the rationale for including this further information?</p>	<p>Energy Queensland considers that further information is required to address potential issues that may arise as a result of a sudden drop in load without notice, including:</p> <ul style="list-style-type: none"> • substantial voltage swings (especially in regional areas); • voltage instability (especially in regional areas); and • reduced voltage control due to limited tapping range on on-load tap changer transformers. <p>In order to collaborate with AEMO, DNSPs will require the following minimum information:</p> <ul style="list-style-type: none"> • the proposed WDRU National Metering Identifier; • maximum bid size and duration in megawatts; and • ramp rate. <p>This information will enable DNSPs to assess potential risks to the network ahead of time (for example, at application) and any operating envelopes that may need to apply.</p>
5. TELEMETRY AND COMMUNICATIONS	
<p>Question 5.1: What information should the Guidelines include in relation to the process for seeking exemption from the requirement to provide telemetry data, and why?</p>	<p>Energy Queensland has no comment.</p>

Section / Question	Energy Queensland Comment
Question 5.2: Under the methodology for setting regional thresholds for non-telemetered WDR, what triggers do stakeholders consider would be appropriate for updating parameters and hence the thresholds (e.g. time-based, dispatch event-based), and why?	Energy Queensland has no comment.
6. BASELINE PROCESSES	
Question 6.1: Do stakeholders consider that the proposed process and timing for development of BMs strikes an appropriate balance between flexibility and prudent management of implementation cost and time? Why or why not?	Energy Queensland has no comment.
Question 6.2: What further information do stakeholders consider should be included in the Guidelines in relation to the processes and timing for baseline development and application to WDRUs?	Energy Queensland has no comment.
7. MAXIMUM RESPONSIVE COMPONENT	
Question 7.1: What are the circumstances where an updated NMI-Level MRC or DUID-Level MRC should take effect earlier than proposed process?	Energy Queensland has no comment.
Question 7.2: What alternative approaches to adjusting the DUID-Level MRC may be appropriate and why?	Energy Queensland has no comment.
8. ACCESS TO BASELINE DATA	
Question 8.1: What, if any, confidentiality issues could arise with the proposed approach to provision of WDRU-specific data? How would these occur?	Energy Queensland has no comment.

Section / Question	Energy Queensland Comment
<p>Question 8.2: What are the issues that could arise with dispatch data being provided to the retailer on day D+1?</p>	<p>Retailers are exposed to the spot market for the difference between the baseline and actual demand. As baselining will not be exact, WDR will increase risks for retailers. While Energy Queensland supports dispatch data being made available on Day + 1, it is unclear what information will be provided to market participants in real time on WDR. As market participants can see real time (five minute) generation, demand and price information, Energy Queensland considers that participants should also have visibility of real time WDR information by region and preferably by DRSP.</p>
<p>Question 8.3: For the periodic reports of WDRU classification data that AEMO proposes to provide to retailers, what frequency do stakeholders consider is appropriate and why?</p>	<p>Energy Queensland has no comment.</p>