

WDR Stakeholder Engagement Lead
Australian Energy Market Operator

By email: wdr@aemo.com.au

Dear Emily,

Re: Review of the Issues Paper on the Initial Version of the Wholesale Demand Response Guidelines

Thank you for the opportunity to respond to this important Issues Paper.

By way of introduction, VIOTAS is a market-leading smart grid technology and services company headquartered in Limerick, Ireland and we have recently established an office in Melbourne.

We are passionate about enabling a low carbon future by leading the development of smart grid technology to accelerate the use of renewable energy worldwide. Innovation is at the core of everything we do. VIOTAS Innovation, is our dedicated team developing the leading-edge technology that underpins our services to meet the ever-changing needs of our customers and the power systems.

We work with our customers to implement services and smart technologies that help accelerate greater use of renewable energy on power systems. Our smart technology, when implemented on our customer's commercial and/or industrial facilities, helps to provide support when problems occur on the power system. By becoming active participants on the power system our customers are rewarded by earning revenue for their business.

VIOTAS has been involved with the WDRM process by participating in both the WDR Consultative Group and Technical Group. While our primary interest is in the FCAS market our technology, once installed will enable customers to participate in demand response programs as well as fast frequency response.

Addressing the questions posed in the Issues Papers we offer the following comments:

Response to Question 3.1: VIOTAS agrees that it is important to release the Guidelines as soon as possible to ensure prospective DRSPs are aware of the processes involved, consequences of possible actions or inactions and the compliance requirements. However, the practicality of meeting AEMO's deadlines required trade-offs such that additional information must follow the publication of the Guidelines. While VIOTAS believes this is not an ideal situation we accept it in the interest of meeting the WDRM market go live deadline. As such VIOTAS believes it is reasonable to include the additional information as a future amendment to the Guidelines.

Response to Question 3.2: VIOTAS agrees to the additional principles. It is our experience in the Irish market that participation of active and well organised demand response in the wholesale market, and ever faster responding demand response has increased the opportunity for renewable energy resources to displace thermal power stations. There is no doubt that the inclusion of demand response in the Irish electricity market has ensured there is enhanced power system operation and maintained power system security and reliability of supply.

Further, our experience has proven the versatility and viability of using demand response across a range of uses that till recently was the sole domain of generators and other infrastructure assets. Allowing DRSPs to innovate and support them with a range of methods by which they can provide wholesale demand response can only enhance the system security and reliability of supply.

The principle stating that developing and amending the guidelines to consider a range of methods by which DRSPs may provide wholesale demand response will be critical in helping to unlock the full range of potential demand response assets in order to maximise participation in the WDRM.

VIOTAS is confident that this will be repeated in the NEM with the introduction of the WDRM.

Response to Question 3.3: VIOTAS believes that, in general, AEMO has well covered the principles. However, there needs to be a recognition that while conventional generation and demand response assets may be treated the same in the market, they are inherently different in terms of their physical characteristics. These differences need to be recognised and accommodated in the process of developing and implementing requirements for provision of demand response services.

Response to Question 4.1: The classifications appear to be clear and coherent to VIOTAS.

Response to Question 4.2: VIOTAS does not have any suggestions for further information to be included in the Guidelines in relation to AEMO's assessment of the potential power system security impacts of WDRU aggregation.

Response to Question 5.1: While it may seem reasonable to expect that some sites will not require telemetry, administrating a system which must examine each DUID or each site to ensure it has not exceeded a capacity threshold and therefore must deploy telemetry in retrospect is wasteful and inefficient. VIOTAS is therefore of the view that it would be far simpler for AEMO to develop and administer the WDRM if there is a blanket requirement for DRSPs to provide telemetry data. This will ensure clarity of the Guidelines and guarantee there is a level playing field.

Response to Question 5.2: VIOTAS recommends that all WDR should be telemetered.

Response to Question 6.1: VIOTAS recognises the difficulty in striking an appropriate balance between flexibility and prudent management of implementation time and cost. We consider that a single baseline methodology (potentially with variants) based on existing AEMO RERT baseline (CASIO 10 out of 10 with adjustments) will significantly limit participation in the WDRM. To the extent that it is possible, the development and review of additional baseline methodologies by AEMO (and DRSPs) should begin as soon as practicable after the release of the final guidelines.

Response to Question 6.2: VIOTAS considers that AEMO has sufficiently covered the information requirements that should be included in the Guidelines in relation to the processes and timing for baseline development and application to WDRUs.

Response to Question 7.1: VIOTAS considers that the timing of proposed process and update a NMI-Level MRC or DUID-Level MRC is appropriate for the submission of the initial application by a DRSP to classify a load as WDRU. Whereas a DRSP seeking to update an MRC for an existing WDRU, the best case timeframe of 15 working days could and should be significantly shortened.

Response to Question 7.2: An alternative approach to adjusting DUID level MRCs will be to enable the DUID Level MRC to be updated without a corresponding change to specific NMI level MRCs. This would enable the DRSP to manage the portfolio of WDRUs within the DUID to deliver services within the MRC.

Response to Question 8.1: VIOTAS does not consider there to be any confidentiality issues arising from the proposed approach.

Response to Question 8.2: VIOTAS considers has no issues with providing dispatch quantities to Retailers, however dispatch pricing should not be disclosed, as these prices are commercially sensitive and confidential information.

Response to Question 8.3: VIOTAS does not hold a firm view on the frequency of periodic reporting of WDRU classification data to retailers.

If you require and further information please do not hesitate to contact me by email on michael.zammit@viotas.com or on mobile 0419 368 705.

Yours sincerely



Michael Zammit
Managing Director