

11 March 2021

Submitted via email: [mass.consultation@aemo.com.au](mailto:mass.consultation@aemo.com.au)

## Energy Networks Australia response to AEMOs Amendment of the Market Ancillary Service Specification consultation

Energy Networks Australia (ENA) welcomes the opportunity to provide input to AEMOs Amendment of the Market Ancillary Service Specification consultation.

ENA is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

Our members are at the forefront of the opportunities that the energy transition to Distributed Energy Resources (DER) offers to customers. The expectations of customers will increase as more DER integration occurs and frequency control will be a critical part of meeting their expectations.

In light of the uncertainty that this transition brings, it is critical that decisions are evidence-based, consultative and reflective of the insights generated from current industry trials and industry participants.

### Key messages

- » ENA supports a framework that allows for greater participation of DER in Frequency Control Ancillary Services (FCAS). Changes should be supported by a growing body of evidence from past and current trials and research
- » AEMO should consider the introduction of Dynamic Operating Envelopes (DOE) by networks, as this will have significant implications for Aggregators if not taken into account
- » There are potential inconsistencies between the Energy Security Board's (ESB) P2025 market design and the direction of discussion in recent AEMO workshops
- » We support a review to ensure that measurement and verification of services as appropriate for industry participants to deliver an efficient and reliable power system.
- » Consideration should also be given to how network assets can provide frequency services

## Interaction between MASS and Networks

ENA and our members are supportive of measures to ensure that wider power system security and reliability are maintained. This includes a review of how more forms of customer owned DER may provide FCAS when required are incentivised to participate.

Networks are actively researching, and testing DOEs through various trials<sup>123</sup> as an integral part of network operations in the future.

Implementation of DOEs by Networks will have significant implications for AEMO and Aggregators in future FCAS market participation, particularly if AEMO proposes to have alternate arrangements for market services that will significantly increase complexity for Aggregators.

We would also like to highlight the potential for other forms of network assets to help provide alternate forms of frequency support. These may include community/network batteries<sup>45</sup>, or forms of dynamic voltage management which DNSPs are using to operate their increasingly dynamic networks.

While it not likely to affect the near-term, we encourage AEMO to consider how the convergence of Network assets and the MASS will affect industry participants in the future.

## Alignment with ESB and industry

There is a significant amount of change occurring in the current regulatory environment. It is therefore critical that there is alignment between key developments such as the ESBs P2025 market design. We note that some of the ESBs stated principles are to provide a technology neutral market design that shifts obligations away from an asset-based approach to a trader and services model.

Firstly, it was clear that from the discussion of the workshops there is a perception from Original Equipment Manufacturers (OEMs) that the proposed changes to the MASS heavily favour one incumbent to the detriment of others.

In the spirit of being technology neutral and encouraging competition we are supportive of lower barriers to entry and encourage AEMO to consider ways to address this perceived one-party endorsement by more deeply engaging with those OEMs who currently feel deeply disenfranchised.

Secondly, the MASS seems to suggest moving obligations away from the connection point to inverters (assets). This seems contradictory to the ESB's stated goals which

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<sup>1</sup> <https://arena.gov.au/news/australias-largest-virtual-power-plant-ramps-up-in-south-australia/>

<sup>2</sup> <https://arena.gov.au/projects/sa-power-networks-flexible-exports-for-solar-pv-trial/>

<sup>3</sup> <https://www.talkingenergy.com.au/64816/widgets/321357/documents/190166>

<sup>4</sup> <https://www.ausgrid.com.au/In-your-community/Community-Batteries>

<sup>5</sup> <https://www.unitedenergy.com.au/bayside-battery/>

indicate policy development in the other direction. We suggest that AEMO review their proposal to deliver greater alignment with the ESB.

We thank AEMO for undertaking this review and for engaging with industry on this important issue. If you have any questions or would like to discuss specific topics further, please do not hesitate to contact Dor Son Tan, Head of Distribution [dstan@energynetworks.com.au](mailto:dstan@energynetworks.com.au).

Yours sincerely,



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