



11 March 2021

Matthew Holmes  
Principal, System Performance and Commercial  
Australian Energy Market Operator

Lodged via email: [Mass.consultation@aemo.com.au](mailto:Mass.consultation@aemo.com.au)

Dear Mr Holmes

### **AEMO: CONSULTATION PAPER ON MARKET ANCILLARY SERVICE SPECIFICATION**

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the changes to the Market Ancillary Service Specification (MASS) relating to DER participation.

Increasing the participation of DER in ancillary service markets will enable the efficient use of all available technology to maintain system security. Origin supports the revisions to the MASS under option 2 as a first step in achieving this goal. Monitoring rules that allow for aggregated participation by small systems will lower the barriers to entry for some technologies and business models.

However, more work is needed to lower barriers to entry for DER participation in frequency control markets. Currently battery systems that provide FCAS must have a droop minimum setting of 1.7%.<sup>1</sup> This requirement may be unnecessarily onerous and impedes the ability of smaller systems to participate in the market.

Participants in the Virtual Power Plant (VPP) trial were able to register with a minimum of 0.7% droop with no observed issues. In considering the learnings from this trial, AEMO should investigate the feasibility of lower droop requirement for smaller battery systems providing ancillary services. Origin considers that lower droop obligations could be applied to both aggregated VPP battery systems, and small stand-alone battery systems (e.g. 1-2MW capacity). Applying these VPP droop settings to individual units would allow commercial and industrial customers to better participate in FCAS markets.

Should you have any questions or wish to discuss this submission further, please contact Alex Fattal via email [alex.fattal@originenergy.com.au](mailto:alex.fattal@originenergy.com.au) or phone, on (02) 9375 5640.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Steve Reid".

Steve Reid  
Group Manager, Regulatory Policy

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<sup>1</sup> AEMO, 2019, *Battery Energy Storage System Requirements for Contingency FCAS Registration*, p5