



EnergyAustralia

LIGHT THE WAY

18 November 2021

Australian Energy Market Operator,
Level 22, 530 Collins Street,
Melbourne, VIC 3000.

Lodged electronically: mass.consultation@aemo.com.au

Dear MASS Team,

**DER AND GENERAL MARKET ANCILLARY SERVICES
SPECIFICATION SECOND DRAFT DETERMINATION**

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EnergyAustralia (EA) welcomes the opportunity to comment on the Australian Energy Market Operator's (AEMO's) Distributed Energy Resource (DER) and General Market Ancillary Service Specification (MASS) Second Draft Determination. EA is one of Australia's largest energy companies with around 2.4 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. EA owns, contracts and operates a diversified energy generation portfolio that includes coal, gas, battery storage, demand response, solar and wind assets. Combined, these assets total 4,500MW of generation capacity.

EA is dedicated to building an energy system that lowers emissions and delivers secure, reliable and affordable energy to all households and businesses, which requires being a good neighbour in the communities we operate in. We, therefore, recognise Aboriginal and Torres Strait Islander peoples as the traditional custodians of this country and acknowledge their continued connection to culture, land, waters and community.

EA appreciates AEMO's additional efforts to investigate whether MASS settings are appropriate in light of ongoing technological and operational change. In particular, extending the consultation timeframe to undertake further analysis on measurement time resolution in response to significant stakeholder feedback. This is a noted and welcome contrast with some other previous AEMO initiatives such as the Settlement Under Low Operational Demand rule change. We strongly encourage AEMO to continue with this open, flexible and collaborative approach to consultation and engagement. It will only lead to more robust, efficient and timely industry outcomes.

Measurement Time Resolution and Location

The proposal to change the measurement time resolution to 200ms is supported. This is based on the updated modelling provided by the University of Melbourne and information from other stakeholders in response to the first Draft Determination. These additional analyses show a measurement resolution time of 200ms will likely provide a 'Goldilocks' solution that strikes an optimal balance between commercial and technical imperatives. That is, by promoting innovation and competition to increase value to customers without materially increasing associated measurement error.

A measurement time resolution of 200ms contrasts favourably with other proposed solutions including:

- a 1s setting which would materially increase measurement error compromising system security and obviating the gains from increased competition;
- a 50ms approach which would do little to support competition and the development of new energy services; and
- a 100ms alternative which, although having similar measurement error, would once again limit the number of potential service providers.

The proposal to retain the measurement location at, or close to, the connection point is also supported. That is, with all evidence indicating any change would only increase uncertainty in the quantity of service provision, thereby leading to market inefficiency and security risks.

Readability and Useability

EA appreciates the clarification that references to the Normal Operating Frequency Band (NOFB) should be interpreted as applying only under normal operating conditions. We also support the drafting changes to use the term 'Variable Controller' more consistently. Finally, we thank AEMO for incorporating our suggestion to add the definition of 'Settling Time' to Table 4 in Section 5.3.2. All are welcome improvements to MASS clarity and utility.

Frequency Control Ancillary Services (FCAS), Primary Frequency Response (PFR) and Fast Frequency Response (FFR)

As noted in our earlier submission, adjusting frequency response settings can have significant costs. We, therefore, support not making any decisions on proportional controller ranges or including PFR settings until the final PFR rule change is made. Doing so will minimise any cost impacts by avoiding having to change frequency settings both before and after the PFR ruling.

We also support the decision to consider Delayed FCAS and FFR as part of the next MASS consultation. This will allow for more time for further, considered deliberation given their noted technical complexities.

Consultative Forum

EA supports the Consultative Forum initiative. This includes both the proposed topics of investigation and the indicative roadmap set out in Appendix D. Beyond facilitating further consideration of technical concerns, this should also make future MASS updates easier and swifter. We look forward to working with AEMO as part of the Consultative Forum and we are available to discuss related issues in the interim. Simply contact me on 0435 435 533 or via bradley.woods@energyaustralia.com.au to arrange a convenient time.

Regards,

Bradley Woods

Regulatory Affairs Lead