

Integrated Energy Storage Systems

PROCEDURE CONSULTATION

PARTICIPANT RESPONSE TEMPLATE

Participant: Intellihub

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1. Context

This template is to assist stakeholders in giving feedback about the options detailed in the issues paper associated with the Integrated Energy Storage Systems consultation.

The changes being proposed are because of NER rule changes which have occurred requiring changes to AEMO's Retail Electricity Market Procedures.

2. Consultation questions

NMI Classification Code amendments

Question	Participant Comments
1. Do you agree that the proposed new NCCs address the requirements for compliance with the IESS Rule outlined by AEMO? If not, please specify your reasoning and any alternative options relevant to the IESS rule.	<p>In principle we have no objections to the proposed new NMI Classification Code (NCC), both new and amended. However, we wish to highlight a potential issue for your consideration:</p> <p>Historically a connection point is largely a load (thereby NCC will be SMALL, LARGE, DWHOLSAL etc), a generator (thereby NCC will be GENERATR, NREG etc) or special case (thereby NCC will be BULK, SAMPLE, XBOUNDRY etc). A key distinction is that a generator connection point cannot have any load (excluding auxiliary load) and that if load is associated with the premises then the load must be registered under a different NMI. The NMI that is registered for the load will be classified as SMALL or LARGE which allowed market participants to understand what obligations, customer contract and protections must be afforded to this NMI.</p> <p>Under IESS, the restriction that a generator connection point cannot have any load (excluding auxiliary load) was removed to promote the entry and operation of storage and hybrid facilities in a flexible and technology-neutral way.</p>

	<p>AEMO has a requirement to identify specific connections points to meet their obligations (eg calculation of market fees and UFE, market compliance monitoring etc), and accordingly AEMO has proposed changes to the NCC to support this requirement.</p> <p>The IESS rule change did not make any changes to obligations with regards to customer contracts, customer protections, metering installation timeframes etc, which is dependent on the size of the load. Therefore, where a connection point has load then there is a requirement to know the size of the load (eg small or large). We believe the proposed NCC, new and amended, does not provide visibility of the size of the load and this would be an issue because it would not be clear what are the market participant's and the customer's rights and obligations.</p> <p>An option to address the above is to consider that there are two aspects of the connection point that AEMO and market participants are interested in – information on both the load and generation and that these two information are independent of each other. Therefore, instead of trying to combine these two information into a single field (with a long list of allowable values due to the mixture of combinations) we suggest having two separate fields, one focused on load and the other focused on generation. We understand that this option requires more changes however we believe that this will be a foundational change for future reforms as more connection points become bi-directional energy flow.</p>
<p>2. Are there any gaps or issues with the proposed NCC definitions as they relate to the IESS Rule, noting that issues beyond the scope of the IESS Rule will be dealt with through separate processes?</p>	<p>As per above, we believe removing visibility on the size of the load for a NMI (eg small or large) is an issue. This issue is not created by the IESS Rule directly, but it is created by the solution that AEMO proposes for the implementation of the IESS Rule. Therefore, we believe this issue is within scope of this IESS consultation.</p> <p>Given that the IESS Rule now allows for load at a grid-scale generator NMI and the industry can expect more bi-directional energy flow NMIs, we believe that this is an opportune time to design a solution that resolves this issue and be foundational for future reforms. We suggest two separate fields, one focused on load and the other focused on generation.</p>

<p>3. What is the likely impact of the proposed changes for participant systems and processes? Do participants require any further information from AEMO to understand the impact of the proposed changes?</p>	<p>If AEMO proceed with the proposed change as is then AEMO should inform market participant where they can get the information about the size of the load for a NMI (eg small or large). We note previously AEMO informed market participant to use the NCC - see final determination from https://aemo.com.au/consultations/current-and-closed-consultations/metering-icf-package</p>
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Amendments to terminology

Question	Participant Comments
<p>4. Are there any gaps or issues with AEMO’s assessment of the impacts of terminology changes for procedures?</p>	
<p>5. Can participants provide comments on the need for a formal readiness program to be put in place for the implementation of IESS changes?</p>	

Other matters - ICF_070 Increase ‘Building Name’ Field Length in MSATS

Question	Participant Comments
<p>6. Do you agree with the proposed change to increase the ‘Building Name’ field length in MSATS to align to the aseXML schema and the Standing Data for MSATS document? If not, please specify your reasoning.</p>	

Other matters - ICF_059 CATS clarifications plus NMI Classification Review

Question	Participant Comments
<p>7. Do you agree that Option 1 would most effectively and efficiently resolve the issue of NEM Participants not being able to easily and accurately identify a customer’s non-registered or non-classified generation capabilities? If no, please specify your reasoning.</p>	<p>In principle we have no objections to the proposed new NMI Classification Code (NCC). However, similar to AEMO’s proposed new and amended NCC, we believe there are two aspects of the connection point that AEMO and market participants are interested in – information on both the load and generation and that these two information are independent of each other. Therefore, instead of trying to combine these two information into a single field (with a long list of allowable values due to the mixture of combinations) we suggest having two separate fields, one focused on load and the other focused on generation. We understand that this option requires more changes however we believe that this will be a foundational change for future reforms as more connection points become bi-directional energy flow.</p> <p>An additional benefit of the two field option is that better generation information can be specified, or added later, without complicating the load information. For example instead of defining a single generation threshold (eg 10kVA per phase), different values or bands of values (eg , <5MW, 5MW to 30MW, >30MW etc) can be defined and on the load side it could still be SMALL or LARGE.</p>
<p>8. Do you believe a different, or alternative, Option may better achieve this objective? If yes, please provide your preferred solution and your reasoning.</p>	<p>We believe there are two aspects of the connection point that AEMO and market participants are interested in – information on both the load and generation and that these two information are independent of each other. Therefore, instead of trying to combine these two information into a single field (with a long list of allowable values due to the mixture of combinations) we suggest having two separate fields, one focused on load and the other focused on generation. We understand that this option requires more changes however we believe that this will be a foundational change for future reforms as more connection points become bi-directional energy flow.</p>
<p>9. Do you agree that the creation of a new NCC to identify Standalone EV Charging Stations would</p>	<p>In principle we have no objections with the intent, however we disagree with this proposed new NCC.</p>

<p>add value to the market? If no, please specify your reasoning.</p>	<p>Firstly, the basis of this new value is that it would be ‘... a major step towards addressing some of the issues identified in the ESB’s EV Standing Data consultation paper’.</p> <p>However, the ESB is suggesting to capture more detailed information, similar to the existing DER Register. We suggest AEMO considers the ESB’s proposal and timeline to avoid duplication. We believe the better option is to take advantage of the ESB’s proposal.</p> <p>Secondly, if AEMO believes that there is value in maintaining such a value in MSATS then similar to our above comment, we suggest having two separate fields, one focused on load and the other focused on generation and defining EVCHARGE as one of the allowable values for the generation field.</p> <p>If AEMO proceed with the proposed change as is then the allowable values should be EVSMALL and EVLARGE (where these would align with the definition of SMALL and LARGE respectively) to capture the load information for the NMI so that the market participant’s and the customer’s rights and obligations are clear.</p>
<p>10. Do you agree with the proposed minor editorial changes to ensure clarity of the Customer Threshold Limits in CATS? If not, please specify your reasoning.</p>	<p>We support the minor editorial changes to ensure clarity of the Customer Threshold Codes (CTC) in CATS by specifying the jurisdictional limits related to the CTC of LOW, MEDIUM and HIGH. For transparency and easy reference, we suggest that the name of the jurisdictional legal instrument be included as a footnote.</p> <p>We do not support the proposed changes to remove references to ‘Residential’ and ‘Business’ in the definition of SMALL and LARGE. When references to ‘Residential’ and ‘Business’ was included in the definition of SMALL and LARGE, AEMO stated (page 8 of final determination from https://aemo.com.au/consultations/current-and-closed-consultations/metering-icf-package):</p> <p><i>The proposed changes would enable Metering Coordinators (MCs) to use the correct threshold, when initiating change requests to appoint themselves as new MCs. Incorrectly, MCs had been using change code requests 6300 and 6301, where the NMI</i></p>

	<p><i>classification code was SMALL. AEMO guided MCs to use Table 4-D, to define the Average Daily Load (ADL) thresholds of Small and Large customers.</i></p> <p>The issues paper now suggest that the Customer Classification Code (CCC) should be used to determine if the NMI is a residential or business customer. However, the issues paper does not explain in detail what is the current issue or what has changed since AEMO included the references to 'Residential' and 'Business' in the definition of SMALL and LARGE. Also, it is not clear whether this proposed change will reverse the intent of the ICF_031 (the ICF raised that resulted in references to 'Residential' and 'Business' added to the definition of SMALL and LARGE) and therefore re-introduce the issue ICF_031 was trying to resolve. We believe more analysis is required before removing references to 'Residential' and 'Business' in the definition of SMALL and LARGE.</p>
<p>11. What do you believe AEMO should consider in determining the proposed effective date/implementation date of the proposed changes? Please specify your reasoning.</p>	<p>We believe that these changes are not minor as it will have flow on impacts to our systems and processes. We suggest a go live date that aligns with the IESS is appropriate, that is 2 June 2024, assuming AEMO's proposed rule change called 'Implementing integrated energy storage systems' gets approved, otherwise 3 June 2024.</p>