



28 June 2024

RE: Consultation on SO-OP 3707 - Intervention, Direction and Clause 4.8.9 instructions

## About Shell Energy in Australia

Shell Energy is Shell's renewables and energy solutions business in Australia, helping its customers to decarbonise and reduce their environmental footprint. Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers, while our residential energy retailing business Powershop, acquired in 2022, serves households and small business customers in Australia.

As the second largest electricity provider to commercial and industrial businesses in Australia<sup>1</sup>, Shell Energy offers integrated solutions and market-leading<sup>2</sup> customer satisfaction, built on industry expertise and personalised relationships. The company's generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120 megawatt Gangarri solar energy development in Queensland. Shell Energy also operates the 60MW Riverina Storage System 1 in NSW. Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website [here](#).

## General Comments

Shell Energy appreciates the opportunity to provide feedback on the proposed changes to System Operating Procedure 3707 (SO\_OP\_3707) to align it with the Rules following the Improving Security Frameworks rule change. Comments are provided by clause with proposed wording in red.

### Section 4.1 subclause (c)

The proposed inclusion of "or clause 4.8.9 instruction" in the subclause seems to duplicate the issue of a participant notice for a clause 4.8.9 instruction which is issued under subclause (b) and therefore may be unnecessary.

### Section 4.3 subclause (b)

We agree that a market notice should be issued whenever a direction is revoked. We also consider that when a direction(s) remains active in the same region as the region in which a direction that has been revoked, the relevant market notice should indicate that a direction(s) remains active in the region and refer to the relevant market notice(s) for the other direction(s).

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<sup>1</sup>By load, based on Shell Energy analysis of publicly available data.

<sup>2</sup> Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2021.

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To improve the examples provided in section 6, Shell Energy suggests the following amendments and additions would be helpful to provide more relevant information to participants as the NEM transitions from large synchronous generators to asynchronous generators and storage.

### **Section 6.1 subclause (c)**

It is unclear how the example relates to asynchronous generators or bi-directional units which are energised as opposed to synchronised to the grid. In the case of a bi-directional unit, directions could take the form of maintenance of a defined storage level (MWh) as opposed to maintaining a specific active energy output or consumption.

### **Section 6.2 subclause (a)**

In our view "Energy" should be further defined as an increase or decrease in active energy output or consumption as well as maintenance of a defined energy storage level.

- (a) Energy - to increase or decrease active energy output or consumption (MW), as well as maintain a defined energy storage level (MWh)

### **Section 6.2 subclause (c)**

Similarly, we recommend expanding the definition of Frequency Control as follows:

- (c) ... to make FCAS available or increase FCAS availability or to maintain a level of energy storage to allow the provision of FCAS

### **Section 6.2 subclause (h)**

We also suggest an additional subcategory (h) in this section which refers to rate of change of frequency (inertia), which in our view is different to FCAS.

- (h) provision of Rate of Change of Frequency Control (Inertia)

### **Section 6.3**

Recommend inclusion of:

Rate of Change of Frequency (Inertia)

For further information or to ask questions regarding this submission, please contact Peter Wormald ([peter.wormald@shellenergy.com.au](mailto:peter.wormald@shellenergy.com.au))

Yours sincerely



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