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Submitted by email to rob.jackson@aemo.com.au

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Market ancillary service specification issues paper

The Australian Energy Council (the Energy Council) welcomes the opportunity to make a submission to the Australian Energy Market Operator (AEMO) on the Market Ancillary Services Specification Issues Paper (the Issues Paper).

The Energy Council is the industry body representing 21 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

The Energy Council supported the Australian Energy Market Commission's (AEMC) rule changeⁱ to remove restrictions to the ancillary services market and increase the opportunity for diverse solutions to ancillary service provision. Australia's energy market is transforming with consumer choice and innovation driving this evolution. Energy market reform, innovation in technology and service delivery has made it easier for business and households to change the way they use electricity. In the future, this may include how they assist to balance the power system and provide ancillary services. The AEMC's reform makes it possible for any technology solution to provide ancillary services to support the secure operation of the power system, provided it meets the technical requirements of the Market Ancillary Services Specification (MASS).

We support AEMO's consideration of the issues including how distributed energy resources, and intermittent generators might be provided opportunities to contribute to system security through ancillary services. We support AEMO's view that the ability to verify the performance of units enabled to provide market ancillary services is a key element of the MASS. As new providers are incorporated into the ancillary services portfolio, it is essential to maintain the operator and market's confidence in the ability of those providers to achieve the intended response. We support AEMO in identifying the best means to verify ancillary service unit performance when considering how best to incorporate new technologies into the ancillary services market.

Any questions about our submission should be addressed to Emma Richardson, Policy Adviser by email to emma.richardson@energycouncil.com.au by telephone on (03) 9205 3103.

Yours sincerely,



Sarah McNamara
General Manager, Corporate Affairs

ⁱ AEMC, 2016, <http://www.aemc.gov.au/Rule-Changes/Demand-Response-Mechanism>