



19 February 2021

Mr Nino Ficca  
Interim Chief Executive Officer  
Australian Energy Market Operator  
GPO Box 2008  
MELBOURNE VIC 3001

Submitted on 19 February 2021 via email: [wdr@aemo.com.au](mailto:wdr@aemo.com.au)

Dear Mr Ficca

### **Consultation – Wholesale Demand Response Guidelines – Initial Version**

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Market Operator (AEMO) in response to its *Wholesale Demand Response Guidelines – Initial Version* consultation (Consultation). This submission is provided by Energy Queensland, on behalf of its related entities, including:

- Distribution network service providers (DNSPs), Energex Limited and Ergon Energy Corporation Limited;
- Retailer, Ergon Energy Queensland Pty Ltd (Ergon Energy Retail); and,
- Affiliated contestable business, Yurika Pty Ltd (Yurika) and its subsidiaries including Yurika Metering.

Energy Queensland's feedback on the matters raised in the Consultation is provided in the enclosed response template.

In addition to that feedback, Energy Queensland notes that 5MW has been nominated as the limit for requiring DNSP endorsement in order to assess power system security with regard to wholesale demand response. We thank AEMO for the inclusion of a DNSP Endorsement and seek the development of a cost-effective and timely methodology for conducting assessments. We also note the reference made to the standing exemption which applies to generators under 5MW and take the opportunity to highlight that for these generators, even though AEMO is not involved, system studies and appropriate performance standards are applied by the relevant network service provider. Additionally, we recognise that 5MW is unlikely to cause any issues at a broader system level (transmission level) and note that this underpins the need for the DNSP to conduct studies on the local area with the national meter identifiers provided by AEMO.

Energy Queensland prefers Option 1 as outlined in the Consultation. We support a Guideline that enables customers to participate in the wholesale market, while maintaining safety and network security for all customers. In our view, a direct relationship between the DNSP and demand response service providers (DRSPs) would be the most effective pathway for registering of wholesale demand response

units and the technical performance parameters, including local network operation and performance. This is because issues are anticipated to be exceptions rather than common place and early identification of these exceptions would be in the interests of customers and DRSPs to assess the costs versus benefits of proceeding.

We suggest that DNSPs, in conjunction with the Energy Networks Australia, should establish processes to ensure efficient and effective assessments and give certainty to DRSP participants and their customers. Such assessments will quickly identify areas where power quality risks may arise from DRSP's operations and allow expedient development of efficient solutions appropriate to the local network operational risks.

Additionally, Energy Queensland seeks to understand how AEMO intends to manage loads that can be switched between feeders and Transmission Node Identifiers, and the application of regional telemetry thresholds to these loads.

Finally, Energy Queensland notes that the Australian Energy Regulator is yet to commence consultation on its Wholesale Demand Response Participation Guidelines, and further consideration of this Participation Guideline may be beneficial.

Should AEMO require additional information or wish to discuss any aspect of this submission, please contact me on 0467 782 350 or Laura Males on 0429 954 346.

Yours sincerely

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***Encl: Energy Queensland comments to AEMO***

# AEMO Wholesale Demand Response (WDR) Guideline

Section / Question	Energy Queensland Comment
<b>Questions for DNSPs</b>	
<p>Question 4.1: Under what circumstances do DNSPs consider that an aggregation of WDRUs would need to be rejected due to security risks in distribution networks, given that risks could equally arise from the synchronised action of multiple WDR DUIDs?</p>	<p>Energy Queensland suggest where the DNSP has identified adverse power quality or other technical constraints, an aggregation of WDRUs should be rejected.</p> <p>Additionally, when the DNSP has knowledge of multiple WDR DUIDs, these can be assessed together as per normal planning procedures, which may result in the development of constraint requirements or similar which would then be fed back to AEMO, if required.</p>
<p>Question 4.2: Aside from the endorsement/rejection of a proposed aggregation of WDRUs, and advice of any restrictions that must be imposed on the aggregation in central dispatch, what further outputs would be provided from a DNSP's assessment of a proposed aggregation?</p>	<p>Energy Queensland envisages that ramp rate information (for both taking load off and bringing load back on after an event) will be provided.</p>
<p>Question 4.3: Do DNSPs consider that they could commit to providing a DNSP Endorsement (or rejecting a request) within a specific period of time? If so, what do DNSPs consider to be a reasonable timeframe?</p>	<p>Energy Queensland is supportive of Option 1, and the development of a direct relationship between DNSPs and DRSPs to give certainty to DRSPs in terms of overall process duration.</p> <p>Energy Queensland is also supportive of developing a standardised approach with other DNSPs and ENA to minimise cost and time for DRSPs.</p>
<p>Question 4.4: How do DNSPs consider that they could provide transparency around their assessment of proposed WDRU aggregations?</p>	<p>Energy Queensland is supportive of a standardised approach between DNSPs for consistency and transparency purposes.</p> <p>DNSPs could provide, as part of the response, the methodology to be applied.</p>
<p>Question 4.5: Do DNSPs consider that the proposed threshold of an aggregate NMI-Level MRC of 5 MW or greater is appropriate for requiring a DNSP Endorsement? If not, please provide justification for an alternative threshold.</p>	<p>It is Energy Queensland's preference to assess all aggregations. However, we accept consumer concerns that this may present disincentives.</p> <p>As such, DNSPs need to ensure they receive notification of all NMIs participating in WDR in order to assess risk as part of normal planning procedures, and to provide operating information to the Control Room so they can appropriately take action if required.</p>
<b>Questions for stakeholders</b>	
<p>Question 4.6: Do stakeholders have particular concerns regarding the DNSP Endorsement process in the draft</p>	<p>Energy Queensland has no comment.</p>

Section / Question	Energy Queensland Comment
Guidelines? If so, what mitigation measures or alternative approaches may address these concerns?	
Question 4.7: What do stakeholders consider to be a reasonable timeframe for a DNSP assessment process, after which the requirement to provide the DNSP Endorsement with an application may be waived?	Energy Queensland has no comment.