

16 January 2023

Primary Frequency Response Requirements Review
AEMO

Submitted by email to: pfr@aemo.com.au

Dear Sir/Madam

AEC Submission to Primary Frequency Response Requirements Review

The Australian Energy Council (AEC) welcomes the opportunity to make a submission in response to the Consultation Paper for the Primary Frequency Response (PFR) Requirements Review.

The Australian Energy Council is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

The AEC recognises that as the Mandatory PFR has been made enduring, the interim Primary Frequency Response Requirements (PFRR) require consequential change. The AEC has not formed a view on the majority of matters raised in AEMO's questions and below presents only a small numbers of issues identified by members.

Section 2

In section 2.2, the draft PFRR correctly recognises that the NER 4.4.2A(c) states that the PFRR must not require the maintenance of stored energy. Not requiring either "stored energy", "headroom" nor "footroom" is the intent of the Rule, and AEMO's present implementation, however expectations regarding the latter two may not be obvious from applying the term "stored energy" alone. Whilst the umbrella term "stored energy" may be adequate for the NER, the AEC suggests the expectations could be more explicitly defined in the PFRR as meaning that affected Generating Systems (GS) do not need to provide "stored energy, headroom or footroom".

In section 2.3(a) and 2.3(b) it would be worth after "the Affected GS' output is to be varied in accordance with the PFR Settings" including "subject to section 2.2" to make it clearer that GS' output variations do not require headroom or footroom.

In section 2.3(c) it would be worth clarifying that the "dispatch instruction" is a "4.9.3A dispatch instruction" to affirm that it is the result of an ancillary service.

Section 3

Section 3.2.2 appears to be superfluous to section 3.2.1.

Section 4

The change proposed to Section 4.3 has caused concern amongst AEC members. NER 4.4.2(c1) states that GS must provide mandatory PFR when generating a volume greater than zero MW. Clearly a GS generating a *negative* volume (i.e. a charging battery) is not generating a volume greater than zero and therefore the rules do not make it subject to mandatory PFR.

The proposed addition to the PFRR however states “It is expected that PFR Settings for battery energy storage system will not change by reference to the direction of *energy* flows for which they are *dispatched*”. Prima facie this new wording appears inconsistent with NER4.4.2(c1) and the present implementation of mandatory PFR.

If it was AEMO’s intent that battery energy storage be obliged to provide PFR when charging, then the AEC suggests it needs to first propose a rule change.

If however it was simply AEMO’s intent to clarify that battery energy storage had the permission (but not the obligation) to provide PFR when charging, then the drafting requires improvement to remove the ambiguity. The AEC suggests the clarification may not be necessary and the proposed words could be set aside.

Any questions about this submission should be addressed to the writer, by e-mail to Ben.Skinner@energycouncil.com.au or by telephone on (03) 9205 3116.

Yours sincerely,



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