INFORMATION EXCHANGE COMMITTEE MEETING

FOR DECISION

SUBJECT: INTEGRATING ENERGY STORAGE SYSTEMS (IESS) B2B CONSULTATION

AGENDA ITEM: 7

1. PURPOSE

To seek approval from the IEC regarding the B2B Working Group's recommendation to:

- acknowledge that a B2B procedure consultation is not required for the IESS Rule; and
- request AEMO to review AEMO documents related to B2B, for example the B2B eHub Accreditation document, for potential impacts due to the IESS Rule.

2. BACKGROUND

As our electricity system transitions to a net zero system with very high proportions of variable renewable energy, energy storage is playing an increasingly important role in the national electricity market (NEM), hence the IESS Rule Change was introduced to make it easier for energy storage systems and hybrid facilities to register and participate in the NEM.

Amongst the changes introduced by the IESS Rule was:

- A new registration category, the Integrated Resource Provider (IRP), that allows storage and hybrids to register and participate in the market in a single registration category (covering consumption and generation) rather than under two different categories;
- Transferring existing small generation aggregators to the new IRP category, and enabling new aggregators of small generating units and/or storage units to register in this IRP category. Aggregators registered in the IRP category will be able to provide market ancillary services from generation and load; and
- Changes in terminology to be agnostic of technology and data flow, make the rule easier to read and to remove redundant terms.

The IEC requested the B2B-WG to review and, if necessary, prepare a B2B procedure consultation pack for the IESS Rule.

3. POTENTIAL IMPACTS TO B2B PROCEDURES

The B2B-WG considered the IESS Rule Change and the following potential impacts to the B2B Procedures:

- Amendments to terminology introduced by the IESS Rule, which will need to be reflected across the B2B Procedures. Most of these changes will likely be minor or administrative in nature.
- Amendments to the Service Order Process to ensure IRPs can request defined services ("Service Orders") and to receive confirmation that the work will or will not be

undertaken (or attempted) and subsequently that the work has or has not been completed as requested using a consistently understood process and transactions.

However, a detailed review undertaken by the B2B-WG determined:

- There is no impact due to amendments to terminology because the B2B Procedures do not contain the amended terms or touch on the topics related to these terms;
- There is no impact due to the introduction of the IRP on the Service Order Process because:
    - the procedure mainly uses agnostic terms of 'initiator' and 'recipient';
    - where the term 'retailer' is used it does not preclude an IRP because an IRP must be registered as a retailer if they are selling energy to an end use customer; and
    - where an IRP is not registered as a retailer and wants to utilise B2B then they can do so as a Third Party B2B Participant[i]. Note, an IRP was not included in the definition of B2B Party[ii] under the IESS Rule.
- There are AEMO documents related to the B2B eHub that may benefit in a review for potential impacts due to the IESS Rule, for example the B2B eHub Accreditation document.

The B2B-WG is still reviewing the B2B Guide for potential impacts due to the IESS Rule and will provide an update when the review is completed.

The B2B-WG wish to acknowledge the assistance provided by AEMO, including AEMO's legal team, in providing detailed responses to the B2B-WG's questions.

4. RECOMMENDATIONS

The B2B-WG recommends:

- IEC acknowledge that a B2B procedure consultation is not required for the IESS Rule; and
- IEC request AEMO to review AEMO documents related to the B2B eHub, for example the B2B eHub Accreditation document, for potential impacts due to the IESS Rule.

AUTHOR NAME:	B2B-WG
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5. ATTACHMENT

1. Attached is AEMO's response to the questions raised by the B2B-WG (Attachment 7.1 Responses to IESS B2B WG questions).

[i] Third Party B2B Participant is defined in the NER as a B2B e-Hub Participant who is not also a Distribution Network Service Provider, retailer, Local Retailer, Metering Coordinator, Metering Provider or Metering Data Provider

[ii] B2B Party is defined in the NER as a Distribution Network Service Providers, retailers, Local Retailers, Metering Coordinators, Metering Providers, Metering Data Providers, Embedded Network Managers and other Third Party B2B Participants