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Submitted via email: mass.consultation@aemo.com.au

# Energy Networks Australia response to AEMOs Amendment of the Market Ancillary Service Specification consultation (final)

Energy Networks Australia (ENA) welcomes the opportunity to provide input to AEMOs Amendment of the Market Ancillary Service Specification (MASS) consultation.

ENA is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

Our members are at the forefront of the opportunities that the energy transition to Distributed Energy Resources (DER) offers to benefit customers. The expectations of customers will only increase as DER integration occurs and frequency control will be a critical aspect of meeting their expectations

We must ensure AEMO's work on the MASS (and by extension the wider implementation of VPPs) is evidence-based, consultative and consistent with industry reforms being undertaken through the ESB P2025 program and others.

## Key messages

- As the energy transition progresses, system services will need to be implemented cooperatively and sourced from a larger variety of stakeholders such as VPPs and networks
- The use of Dynamic Operating Envelope has been demonstrated as an effective way of increasing customer participation, providing market benefits while still operating within the physical limits of the network
- We agree that metering does need to be accurate

## A cooperative and collaborative future

As the mix of where generation is increasingly sourced from the distribution network, it will be critically important to ensure a robust framework of cooperation is established between AEMO, DNSPs, traders and customers.

As customer owned DER plays an increasing role in supporting the local and entire power system, while delivering customer aspirations, it is essential that those parties best placed to manage the transition and any risks to the safe, secure and reliable operation of the distribution and wider power system, do so.

It is unlikely to be technically feasible or economically efficient to plan, manage and operate the entire power system centrally. Distribution networks are already collaborating with AEMO on ways to deliver optimal power system outcomes in a way that minimises the need for duplication and avoids increased costs to customers.

Networks in both Distribution and Transmission are getting ready for this by envisaging a future where system services are also offered by network assets where there is a shortfall in the competitive market and when it is economically efficient to do so.

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## Dynamic Operating Envelopes are a key step

To maximise the impact and participation of VPPs while still operating a stable distribution network is end the goal and Dynamic Operating Envelopes are a key capability to achieve this.

The South Australian Power Networks (SAPN) Knowledge Sharing Report[1] concluded that DOEs "…enabled higher levels of export power than would be otherwise possible while participating in the wholesale energy and FCAS markets, while still remaining with the safe operating capacity of the local network."

Importantly, VPPs must ensure that their separate dispatch engines are capable of interacting with the API of the relevant network and that their bids take into account the distribution systems capacity limitations.

While South Australia currently leads the adoption of VPPs, ENA believes that eventually they will continue to be developed as DER adoption continues to grow nationally. This is a field where networks are actively collaborating and devoting significant resources to understanding the role of VPPs and Dynamic Operating Envelopes, particularly to ensure that the customer-facing aspects of Dynamic Operating Envelopes are as nationally consistent as practicable.

## Balancing the need for accuracy and promoting a competitive market

While ENA has not been party to the more technical aspects of this review it is our understanding of the review that it concluded slower measurement frequencies of 200ms or 100ms may be a viable alternative to the current high speed 50ms sampling frequency.

Potentially lowering the current 50ms sampling requirement (which is a current barrier to entry for many proponents) could be effective at promoting a healthy marketplace of alternative products and providers while still delivering the desired technical outcomes for the power system.

We thank AEMO for undertaking this review and for continuing to engage with industry on this and other important issues. If you have any questions or would like to discuss specific topics further, please do not hesitate to contact Dor Son Tan, Head of Distribution dstan@energynetworks.com.au.

Yours sincerely,

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[1] https://arena.gov.au/projects/advanced-vpp-grid-integration/