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AEMO

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

5 August 2021

Dear Matthew, Akeesh

RE: Market ancillary services specification review – Draft determination

Thank you for the opportunity to provide feedback on the draft determination for the review of the MASS.

Enel X operates Australia's largest virtual power plant.¹ We work with commercial and industrial energy users to develop demand-side flexibility and offer it into the NEM's energy and ancillary services markets, the RERT mechanism, and to network businesses. Enel X is a registered Market Ancillary Services Provider (MASP).

This submission sets out our responses to the draft determination on the general MASS review. The key points are:

- We support AEMO's draft decision to not progress limits and restrictions on switched FCAS providers and agree that any further consideration of these proposals should be carried out in consultation with stakeholders.
- A strict delineation between "frequency-responsive" and "non-frequency responsive" FCAS providers may not be appropriate, particularly where non-frequency responsive facilities can be configured to mimic the behaviour of a frequency-responsive facility more closely.
- We support AEMO's draft decision to retain the switching controller trigger ranges as they are.
- We support AEMO's decision to update the MASS to reflect the interim arrangements for FCAS provision from DER.

If you have any questions or would like to discuss this submission further, please do not hesitate to contact me.

Regards

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Manager, Industry Engagement and Regulatory Affairs
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¹ Bloomberg NEF, December 2019.

Section 5.3: Requiring non-frequency responsive facilities to deliver FCAS only when enabled up to 150% of enablement amount only

We agree with AEMO’s conclusion that “there is little clear evidence of an urgent need to limit FCAS of this kind” and thus support AEMO’s draft decision to not progress:

- limits on the proportion of non-frequency responsive FCAS
- a blanket requirement for non-frequency responsive FCAS to limit over-delivery
- a blanket requirement for FCAS providers using switched controllers to only deliver when enabled.

We note AEMO’s intention to continue to assess the above, and we support this being done in consultation with stakeholders.

Regarding limits on the proportion of non-frequency responsive FCAS: comments made by AEMO in the stakeholder meeting on 23 June 2021 suggest that the context for the above proposals is a concern that there will not be enough proportional reserve available in the system, not that there could be too much switched reserve. If that is the case, it may be more appropriate to reframe this issue as making sure there is a minimum amount of proportional control available, not a maximum amount of switched.

Regarding limits on over-delivery: the draft determination states that AEMO may require switched FCAS providers to limit over-delivery where they are of sufficient size and in locations where their contribution could cause overshoot and other undesired power system impacts. As per our comments on the issues paper, it is important to determine the risks and likelihood of over-delivery before imposing such restrictions.

In general, a strict delineation between “frequency-responsive” and “non-frequency responsive” FCAS providers may not be appropriate. An aggregation of switched loads can mimic a proportional response more closely if the trigger set points are spread over a range, and at more granular set points. The MASS already states that AEMO “will negotiate with the FCAS Provider to allocate Frequency Settings to simulate the behaviour of Variable Controllers”. If a portfolio of switched loads can simulate the behaviour of a variable controller, it should not be captured by any restrictions on “non-frequency responsive” FCAS.

Section 5.4: Coordination between FCAS and PFR

Switching controller trigger ranges

We support AEMO’s draft decision to retain the switching controller trigger ranges as they are.

Section 5.8: Other issues

Incorporating the interim arrangements for FCAS provision from DER

We support AEMO’s decision to update the MASS to reflect the interim arrangements for FCAS provision from DER – that is, to clarify that import and export flows from both an ancillary service generating unit and an ancillary service load can be used for FCAS purposes.