



Part of Energy Queensland

17 June 2022

Mr Daniel Westerman
Chief Executive Officer
Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001

psfrr2022@aemo.com.au

Dear Mr Westerman

Draft 2022 Power System Frequency Risk Review

Ergon Energy Corporation Limited (Ergon Energy) and Energex Limited (Energex), operating as distribution network service providers in Queensland, welcome the opportunity to provide comments to the Australian Energy Market Operator (AEMO) on its consultation on the *Draft 2022 Power System Frequency Risk Review* (Review).

Ergon Energy and Energex have an aggregate nameplate distributed photo voltaic (DPV) capacity of greater than 4GW and more than one in three customers with installed DPV. We have observed and recognise that the power system is changing through the way in which customers continue to invest in new DPV. The growth in solar DPV is forecast to continue. We are committed to ensuring our customers experience a power system that remains secure and reliable whilst also being efficient and affordable, especially as the DPV continues to grow.

Through the review we understand that your analysis identified that, for Queensland, there are a number of constraints that require improvements or further investigation. We understand and appreciate the significance of the outcomes of the modelling and can clearly see the criticality of working together now and into the future to identify the most efficient and effective ways to manage those modelled constraints. As highlighted in the report, Ergon Energy and Energex are already working closely with both AEMO and Powerlink, and we welcome further engagement.

We note that one of the recommendations relates to immediately seeking to identify and implement measures to restore emergency under-frequency response to as close as possible to the level of 60 per cent of underlying load at all times. We note from modelling undertaken by AEMO in 2021, net under frequency load shedding (UFLS) load is strong in Queensland for periods with low or moderate volumes of DPV and does not present an immediate concern. However, the observed UFLS load falls below AEMO historic expectations in periods of high DPV operation. We understand that AEMO are continuing to undertake detailed modelling (known as "Phase 2 – Frequency studies") to understand the appropriate target levels of UFLS load when there is a significant volume of DPV operating. We support this modelling, and we trust that this next phase can be conducted promptly to ensure common understanding of the risks and assist in determining the appropriateness of and proposed recommendations. Notwithstanding, Ergon Energy and Energex has already begun to identify and implement least regret measures to reinforce UFLS capability.

Finally, it is noted that AEMO has engaged in a number of workshops and discussions with transmission network service providers in developing this report. Whilst that is essential, it is also clear that with the emergence of DPV and the rising importance of distribution networks for the security of the power system, the engagement model may need to evolve for future reviews of this nature to involve distribution networks earlier in the process.

We would welcome further discussion on this matter as we consider the best way to coordinate and cooperate into the future, for the good of all consumers.

If you have any questions, please do not hesitate to contact Glenn Springall, General Manager Renewables and Distributed Energy (glenn.springall@energyq.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Price', with a stylized flourish at the end.

Peter Price
Energy Queensland
Executive General Manager, Engineering