

# STANDALONE POWER SYSTEMS

## PROCEDURE CONSULTATION

## PARTICIPANT RESPONSE TEMPLATE

***Participant:*** AGL

***Submission Date:*** 2 June 2022

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## **1. Context**

This template is to assist stakeholders in giving feedback about the options detailed in the issues paper associated with the Standalone Power Systems consultation.

The changes being proposed are because of NER rule changes which have occurred requiring changes to AEMO's Retail Electricity Market Procedures.

## 2. Questions

Section	Description	Participant Comments
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<p>4.1.3</p>	<p>Do participants agree with AEMO’s assessment that MDPs for accumulation meters should provide interval data to the generator MDP and AEMO in a NEM12 file as outlined in option 2(a)?</p>	<p>AGL queries the options that AEMO has presented.</p> <p>These options were:</p> <ol style="list-style-type: none"> <li>1. Use 5 min meters – no data conversion required;</li> <li>2a. Type 6 meter MDP to convert Data to interval data. The consumer load meter may also be a Type 5 meter (30 min intervals) which would also be required to be profiled to 5ms for settlements.</li> <li>2b. Generator MDP to undertake conversion of Data;</li> </ol> <p>There was significant discussion about the costs / delays that might be borne by Participants in updating customer meters to 5ms. However, there has been no cost comparison / consideration in the system and process changes which would be required for the networks to implement the profiling systems to manage the legacy Type 5/6 customer meters which would be supplied by a SAPS system.</p> <p>The implementation of a SAPS system is not at this stage a process which can happen overnight. AGL would expect some planning and load assessment be undertaken by the network in order to properly size the type of SAPS needed for a site.</p> <p>In order to undertake this assessment, AGL would argue that the installation of 5 min meters would provide a far better suite of information for the network than any assessments based on an accumulation meter.</p> <p>If the number of SAPS to be rolled out is very small, then the cost of the changes to enable MDPs to profile type 5 / 6 meters is an unnecessary expense on the regulated networks for such a small number of sites. It would be far</p>
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		<p>cheaper (certainly in the initial years) to pay for the meters to be replaced, as AGL suggested in its initial submission.</p> <p>Assuming the number of SAPS is to grow over time, then the likely rollout of smart meters will keep up with this growth in SAPS. Again, this would severely limit the benefit of making changes to MDP roles for the profiling of SAPS loads.</p> <p>Given the potential for accelerated rollout of smart meters compared to the system costs for establishing a profiling system for a small number of legacy meters, options 2a and 2b may not be cost effective and therefore not meet the requirements of the NEO.</p> <p>Therefore AGL strongly opposes Options 2a and 2b.</p> <p>AGL strongly believes that a proper cost / benefit analysis be undertaken prior to this decision being made.</p> <p>See Attachment 1 Diagram</p> <p>Further, AGL notes that there has been no industry discussion to resolve and clarify the process for how one of the MDPs may receive all the data (from the other MDPs) generate an appropriate profile and then provide the meter data to the appropriate FRMP.</p> <p>While the requirement for energy allocation to trading intervals is somewhat moot due to the single annual administered price, there is a problem for all load Retailers whose customers may have accumulation meters.</p> <p>If there is an environment with multiple accumulation meters (see previous comment) then whichever MDP is providing the profile, not only needs to know what all the generating units are producing, what wholesale purchases (if any) there were, but would likely need specific information about the customers</p>
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Section	Description	Participant Comments
		<p>movements in order to generate an appropriate profile for each customer, particularly at the July 1 crossover or for any customer churns, as these may have substantial impacts on the customer retailers and likely on the other retailers.</p> <p>While a SAPS environment may be quite simple to resolve in a one or two customer environment, AGL believes that the problems will quickly escalate in a SAPS environment with more than a few customers (ie microgrids).</p> <p>While AGL can see the benefit of placing the obligation on the DNSP MDP (which is more likely to lead to meters being replaced) AGL does not believe that simply making one party responsible is an easy outcome, nor really possible. Whoever undertakes the profiling needs all the meter data to undertake this work.</p> <p>AGL also believes that there may be subtleties which have not been identified and urges AEMO to undertake some industry workshops on this matter prior to finalising any decision.</p>



		<p>See Attachment 1 Diagram</p> <p>Further, AGL notes that there has been no industry discussion to resolve and clarify the process for how one of the MDPs may receive all the data (from the other MDPs) generate an appropriate profile and then provide the meter data to the appropriate FRMP.</p> <p>While the requirement for energy allocation to trading intervals is somewhat moot due to the single annual administered price, there is a problem for all load Retailers whose customers may have accumulation meters.</p> <p>If there is an environment with multiple accumulation meters (see previous comment) then whichever MDP is providing the profile, not only needs to know what all the generating units are producing, what wholesale purchases (if any) there were, but would likely need specific information about the customers movements in order to generate an appropriate profile for each customer, particularly at the July 1 crossover or for any customer churns, as these may have substantial impacts on the customer retailers.</p> <p>While a SAPS environment may be quite simple to resolve in one or two customer environment, AGL believes that the problems will quickly escalate in a SAPS environment with more than a few customers.</p> <p>While AGL can see the benefit of placing the obligation on the DNSP MDP (which is more likely to lead to meters being replaced) AGL does not believe that simply making one party responsible is an easy outcome.</p> <p>AGL believes that there may be subtleties which have not been identified and urges AEMO to undertake some industry workshops on this matter prior to finalising any decision.</p>
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Section	Description	Participant Comments
4.1.3	Are there other advantages and disadvantages of the various options that AEMO should consider?	See above comment.
4.1.3	Are there other options that AEMO should consider to resolve this matter?	Given the size of and number of these customers (at least initially) there has been no consideration of allowing the Type 5/6 Meter MDP to subcontract the profiling process to another MDP for that small number of meters.
4.2.2	Do participants agree that this convention is to be captured in a procedure?	AGL supports the option of ensuring that all SAPS are uniquely identifiable and should be clearly documented. AGL suggests an update to the NMI Allocation List to ensure the specific allocation information is easily locatable.
4.2.2	In which procedure or supporting document should it be included?	AGL suggests that the generic requirements be placed in the relevant processes / procedures which assign TNIs and NMIs and that the AEMO NMI Allocation list be updated to include the SAPS TNI ranges for each Network, so that this range is visible to all participants.
5	Has AEMO captured all the changes?	There has been no consideration of whether any B2B Service Order or meter data processes need adjustment to allow for a SAPS generator or SAPS load supply, or consumer profiling.
5	In making the changes to the SLP and Metrology procedures, what are the issues that AEMO should keep in mind/consider?	AGL has concerns about AEMOs proposed changes to the Metrology SLPs as this may impose a substantial un-necessary cost on the networks to implement these profiling systems.

### 3. Other Issues Related to Consultation Subject Matter

#### Participant Comments

##### **Additional Points**

AGL has the following additional points:

##### **Feed In Tariff Issue**

There seems to be no consideration of any feed-in Tariff payments. As the wholesale price (both purchase and Sales) is Administered, it would be appropriate that any required feed-in tariff payable to a SAPS connected customer should be set relative to the Administered SAPS wholesale price, to ensure that a load retailer is not paying an end user more than they would be paying for supply.

This argument also applies to the AER/ESC Approach to the establishment of the VDO/DMO. AGL understands that AEMO is not responsible for these issues but wishes to raise them for public debate and consideration.

##### **NMI Classification**

AGL re-iterates that it believes that a NMI Classification for a SAPS should be created and implemented to easily separate out a grid connected market generating unit versus a Stand Alone Power Supply market generating unit.

The issues about ease of visibility and useability raised by AGL and Endeavour are of substantial importance to a Retailer managing a SAPS customer. As such, if the decision to use the TNI is to be adopted, then a review of NMI discovery screens and transactions needs to be undertaken to ensure that the TNI field is visible in all returns.

AGL has previously raised issues with the current suite of NMI classifications which it does not believe are adequate in a two-sided market and strongly recommends that further work be done to develop a set of Guidelines for establishing NMI Classifications.

## Participant Comments

### **SAPS Settlement Calculation**

AGL notes that the Administered Wholesale Price would be a \$/MWH price (consistent with other wholesale prices) for a trading interval, but that customer energy would be measured in kW or W for each trading interval. AGL is concerned that significant differential between the wholesale price units and the retail price units at 5 min Trading Intervals will lead to substantial discrepancies as a result of the inevitable rounding which will occur through that process. This will become quite critical if there are any Type 7 UMS loads (street lights or NCOMUML devices) which can operate at a small number of Watts.

### **Market Price Caps**

AGL notes that while the *SAPS settlement price* is a calculated price, it is unclear if any of the other NEM pricing processes (eg Price Cap, Market Suspension etc) can override this calculated price for a SAPS price. There seem to be no changes to those sections of the Rules which might lead to either retaining or removing those processes from the SAPS pricing. Clarity in this area would be helpful.

### **Compensation Fund charges**

AGL notes that there has been no change to CL 3.16 Participant Compensation Fund. This means that a SAPS FRMP will be paying into the Compensation Fund, which has been established to compensate them for a scheduling error, where no such error can occur by definition. Therefore, this is an unnecessary cost imposition on the SAPS supply FRMPs.

### **AEMO Fees**

As these SAPS devices are not transmission connected, AGL considers that AEMO should review its fee structure with respect to any SAPS connections. AGL fully appreciates that fees such as FRC fees, 5ms Compliance etc are appropriate to be levied on SAPS supply and Load retailers. However, AGL considers that AEMO should provide clarity on why fees such as the National Transmission Planner or Victorian Transmission Network Service Provider fees should be levied on these Retail Participants.

## Participant Comments

### **Network Fees**

Noting that a portion of DNSP fees pay Transmission Service charges. As such, AGL believes that DNSPs should provide clarity on how the Transmission portion of their Network Service fees is applicable to a SAPS customer.

AGL notes that this is not an issue that AEMO can resolve but wishes to raise them for public debate and consideration.

### **Requirement for SAPS Market Generating Units to use Calculated Meter Data**

CI 3.21.3(b) of the Rules indicates that all trading amounts (ie ME) within a regulated SAPS for a market generating unit, must use calculated metering data. AGL understands that this is a requirement for the SAPS Market Generating Units as there is a need to balance the sold and purchased energy to the energy consumed by the connected load. However, in the case of a non-SAPS *market generating unit* connected to a SAPS, the energy provided by such a unit should be the metered energy.

# Attachment 1



## SAPS Participant Layout – Multiple Loads

