

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235



Lodged online

8 August 2017

Dear Mr Pierce,

Marjorie Black House
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RE: ERC0214 - Draft Rule Determination - National Electricity Amendment (Managing the rate of change of power system frequency) Rule 2017

Thank you for the opportunity to comment on the *Draft National Electricity Amendment (Managing the rate of change of power system frequency) Rule 2017*. As the peak body for the health and community services sector in South Australia, the South Australian Council of Social Service (SACOSS) has an established history of interest, engagement and provision of proposed advice on the necessary market mechanisms for and regulation of essential services. Our research shows that the cost of basic necessities like electricity impacts greatly and disproportionately on vulnerable people. Our advocacy is informed by our members and direct consultations with consumers and other consumer organisations: organisations and individuals who witness and experience these impacts in our community.

SACOSS is broadly supportive of the Draft Determination for Managing the rate of change of power system frequency. In particular, SACOSS welcomes the focus on provision of inertia up to a minimum threshold level of inertia through services made available to the Inertia Service Provider by a Registered Participant and provided by means of synchronous generating units or synchronous condensers. However, SACOSS believes that provision of these services should be with approval from the AER.

SACOSS also welcomes the limitation on provision of FFR for frequency control beyond the minimum threshold level in recognition that “the time delay of FFR technologies therefore implies that there is a level of inertia that must be online at any point in time to resist frequency changes at the time of the contingency event as well as over the first few hundred milliseconds following a contingency event”¹, as well as the early stage of maturity of the technology. While SACOSS is cautiously supportive of TNSPs contracting with third party providers of alternative frequency control services beyond the minimum threshold level, including FFR with approval from AEMO, SACOSS believes that additional constraints need to be built in to this provision. Specifically, SACOSS believes AEMO should also be required to undertake testing of the proposed alternative frequency control services prior to final release in to the market in recognition that “AEMO’s needs for the South Australia grid for the most extreme events are at the boundaries of existing technical capabilities and beyond industry experience”² AEMO should also be required to conduct economic evaluations of the proposed alternative frequency control services prior to approval, in order to meet the long term interests of consumers.

¹ AEMC (2017) Draft Determination on Managing the rate of change of power system frequency pp.51-52

² GE Energy (2017) Technology Capabilities for Fast Frequency Response at https://www.aemo.com.au/-/media/Files/Electricity/NEM/Security_and_Reliability/Reports/2017-03-10-GE-FFR-Advisory-Report-Final---2017-3-9.pdf p.37

We thank you in advance for consideration of our comments. If you have any questions relating to the above, please contact SACOSS Senior Policy Officer, Jo De Silva on (08) 8305 4211 or via jo@sacoss.org.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Womersley', enclosed in a thin black rectangular border.

Ross Womersley
Chief Executive Officer