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AER Wholesale Demand Response Participation Guidelines Issues Paper

Submission via email: aer inquiry@aer.gov.au

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AGL Response to AER Wholesale Demand Response Participation Guidelines Issues Paper

AGL Energy (AGL) welcomes the opportunity to comment on AER's Wholesale Demand Response Participation Guidelines Issues Paper (Issues paper).

AGL is one of Australia's largest integrated energy companies and the largest ASX listed owner, operator, and developer of renewable generation. AGL is also a significant retailer of energy and telecommunications, providing solutions to around 4.2 million across Australia.

The Issues Paper considers the information and records that Demand Response Service Providers (DRSPs) must retain regarding compliance with the specific Wholesale demand response mechanism (WDRM) obligations.

The AER Guideline has 2 purposes:

1. Guidance about information a DRSP must keep regarding compliance with its obligations under cl 3.8.2A of the NER and the deemed representation of a WDRM bid as set out under cl 3.8.22A(a2) of the NER, and
2. Further guidance relating to the rebidding requirements when the DRSP becomes aware a Demand Response (DR) unit is baseline non-compliant or spot-price exposed.

This submission provides our view on the first aspect of the guideline - what information a DRSP must keep regarding compliance with cl 3.8.2A and cl 3.8.22A(a2) (the WDRM obligations). We consider the current broad application of cl 1.9 of the NER is sufficiently clear and the AER does not need to provide further guidance as to the information retention requirements.

We note DRSPs are subject to the same compliance obligations as other market participants when participating in energy dispatch in the NEM. The WDRM obligations clarify how DR units must engage with AEMO in the provision of market information that is unique to the WDRM.

We agree with the AER's assessment that the general obligation under clause 1.9 of the NER should apply to DRSPs without exception. This would mean that DRSPs would be required to retain all documents and records prepared for or in connection with the NER and must be retained for a period of at least 7 years.

Broadly, this will require the retention of standing documents prepared for the purposes of these WDRM obligations such as contractual agreements with DR units, internal procedures, DR unit verification protocols, and communication protocols in an accessible format. In addition, any documents or records of communications between the DRSP and relevant parties, such as between AEMO, DNSPs, DR units, would also need to be retained if for the purposes of meeting the WDRM obligations.



In our view the guideline should confirm that the information retention requirements remain to the same broad standard that already applies to other types of market participants. At this early stage of the development of the WDRM, the AER should avoid where possible prescribing the documents or records that will need to be created and retained to meet the WDRM obligations.

Following the commencement of the WDRM, we propose the AER could undertake an industry review of DRSPs internal compliance procedures and communication protocols to meet these WDRM obligations. Following this review, the AER and industry may be better placed to consider if standardised information requirements for documentation and records is appropriate. This review would also assist industry in better understanding the obligation requirements and the AER's expectations surrounding key concepts such as 'Good Electricity Industry Practice'. In some respects, this process would be similar to the current AER technical audits of the CI 4.15 Generator Performance standards compliance framework.

Following the above proposed review, the AER could then review this guideline to provide more detailed guidance as to the information retention requirements and whether there are unique features of the WDRM that require the creation of particular documents or records.

If you have any queries about this submission, please contact [REDACTED]

Yours sincerely,

Chris Streets

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