

To AER
Reference Semi scheduled rule change – Proposal Update
Submitted via email
Date 02 Sep 2020

Subject Infigen response to Semi scheduled rule change – Proposal Update

Infigen thanks the AER for its significant engagement with stakeholders on the original semi-scheduled rule change discussion paper, including both written submissions and presentations to industry groups. We appreciate the AER taking the time to understand the issues raised by industry, and the potential costs to consumers that the original preferred positions might have effected.

We support the AER's revised preferred option to formalise the original intent of the semi-scheduled category: that semi-scheduled units produce at their full output unless otherwise communicated with AEMO through bidding, constraints, etc., while still allowing output to vary in accordance with their available resource and technical capability. This will address the material issue identified by the AER, but still facilitate a least-cost generation mix.

We note that care must be taken to ensure this requirement does not conflict with effective frequency control or other services. This includes the current Mandatory Primary Frequency Response (PFR) requirement.

Given the clearly defined scope of the AER's current proposal and the AER's engagement with stakeholders to date, it may be appropriate to progress the rule change as a fast-tracked rule change.

Separately, we support a continued focus on increasing information availability, improving frequency markets, and establishing appropriate services that value frequency control providers as well as provide incentives to reduce variability (where it is efficient to do so) through effective causer pays signals or similar arrangements. This includes Infigen's Fast Frequency Response proposal, as well as establishing new markets for narrow deadband primary frequency control to replace the current Mandatory PFR rule which will not deliver long-term capabilities.

Infigen looks forward to continuing to engage with the AER on this issue. If you would like to discuss this submission, please contact Dr Joel Gilmore (Regulator Affairs Manager) on joel.gilmore@infigenenergy.com or 0411 267 044.

Yours sincerely

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