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Consultation Paper – Reliability Emergency Reserve Trader (RERT) Class Waiver

AGL Energy (**AGL**) welcomes the opportunity to comment on the Australian Energy Regulator's (**AER**) abovementioned Consultation Paper.

Proudly Australian for more than 185 years, AGL supplies around 4.1 million energy services. AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market (NEM), comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, batteries and other firming technology, and gas production and storage assets. AGL is also innovating on a broad suite of products and services to drive distributed energy resources (DER) adoption and deliver value for customers. As of FY24 AGL had 1.25 GW of decentralised assets under orchestration, with a FY27 target of 1.6 GW. Most of these assets are installed behind the connection point, and include residential batteries and solar, as well as flexible loads and backup generation systems at commercial and industrial customer sites.

AGL is supportive of efforts by distribution network service providers (DNSPs) to remotely manage voltage to dynamically address changes in network conditions and to lower network voltages as far as practical in their distribution areas. Effective voltage management is essential to integrate high levels of DER and consumer energy resources (CER) into the grid. Lowering network voltages across distribution areas can also have positive impacts on all consumers by reducing their overall electricity consumption and emissions.

AGL is also supportive of DNSPs leveraging their voltage management technology to support system security as a near-last resort measure (i.e., before resorting to load shedding). Voltage management is a core network function and, as regulated monopolies, DNSPs already own and operate assets which can provide these voltage services effectively. Furthermore, DNSPs have the scale necessary to deliver aggregate demand reductions across their entire customer base. AGL's view is that networks should be prioritising activities which can unlock further value from their existing assets and innovating to effectively deliver their core network functions.

AGL supports the AER's intent to collect more information from DNSPs on barriers for RERT participation to date. AGL is also supportive of individual waiver applications over extending the existing class waiver, as there is a need to ensure that DNSPs seeking to provide this service do so at the lowest possible cost to limit unregulated revenue from network assets.

More broadly, AGL encourages the AER to ensure that the data collected by DNSPs as they invest in grid modernisation (such as remote voltage management technology and low voltage network monitoring) can be effectively shared with third parties seeking to offer non-network solutions to address grid challenges.

If you have any queries about this submission, please contact Andrea Espinosa on 0422 165 705 or aespinosa2@agl.com.au.

Yours sincerely,

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