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4 July 2024

IPART consultation on the Draft PDRS Method Guide

AGL welcomes the opportunity to provide comments on IPART's consultation on the Draft Peak Demand Reduction Scheme (PDRS) Method guide.

Proudly Australian since 1837, AGL delivers around 4.3 million gas, electricity, and telecommunications services to our residential, small, and large business, and wholesale customers across Australia. We operate Australia's largest electricity generation portfolio and have the largest renewables and storage portfolio of any ASX-listed company, having invested \$4.8 billion in renewable and firming generation over the past 20 years and added more than 2,350 MW of new generation capacity to the grid since 2003.

As mentioned in our previous submission to the PDRS Rule Change 2 consultation paper¹, AGL broadly supports the PDRS and believes that it has an important role to play in Australia's energy transition. With the PDRS target set to sharply increase in the coming years, there is a need to introduce a wide range of activities so that supply can keep pace with demand. AGL is therefore very supportive of the introduction of new activities within the scheme and urge the NSW Government to consider all viable options for demand response (DR), to maximise market participation while reducing costs for customers, and to ensure that energy remains reliable and affordable.

Set out below is our feedback on the draft PDRS Method Guide (Method Guide) regarding the proposed evidence requirements for BESS1 and BESS2 scheme activities. We also raise some specific points that we consider require further clarification in the final Method Guide or separate guidance documentation.

Timing - Monthly implementation data requirement

The requirement to provide BESS1 and BESS2 implementation data by the 15th day of the following calendar month is not practical and does not allow Accredited Certificate Providers (ACPs) sufficient time to collect and submit all the necessary evidence. We are unclear as to why such a short timeframe is required for BESS1 and BESS2 activities only. In our view, the required information cannot be readily accessed and validated within this timeframe in order to meet scheme requirements. We recommend that IPART consider expanding the timeframe for data implementation and aligning their data and reporting requirements with existing activities under the scheme.

Method Guide – Evidence & equipment requirements

- **Demand response contracts:** it is unclear whether a separate form is required for customers joining a Virtual Power Plant (VPP) or if a retailer can update an existing contract to include the necessary items for a demand response contract, therefore avoiding additional customer contracts.

¹ See [AGLs submission](#) to the PDRS Rule Change 2 consultation paper



AGL recommends that IPART allow for existing contracts to be updated to reflect these new requirements (i.e. a single contract), rather than separate contracts.

- **Battery warranty:** it is our understanding that there is a variation in the methodology used by different battery manufacturers for calculating battery capacity at a future point in time. We recommend that IPART provide a standardised methodology for calculating battery capacity to enable a like-for-like comparison, which may also enable more products to be eligible.
- **Minimum co-payment:** pursuant to section 8.2.5 of the Method Guide regarding the minimum co-payment amount paid for activity BESS1, it is unclear what constitutes an “approved low-income energy program or an exempt energy program”. We request clarification of whether ‘buy now pay later’ finance contracts are permitted for this activity.
- **Battery capacity:** the specified limit of 28KWh in the Method Guide may encourage inefficient behaviour with customers installing multiple batteries rather than one large battery. To allow customers to install larger batteries than the specified limit of 28KWh, we would encourage IPART to clarify in the Method Guide that larger batteries (above 28kWh) receive certificates up to the limit.
- **BESS2 geo-tagging and battery control evidence:** the requirement for geo-tagged photographic evidence of an existing battery may be a difficult process to implement end-to-end depending on customer agreements and installation processes, and how this information needs to be provided to IPART. Regarding evidence of the ability to control the battery, specific dispatch tests, or ping tests, for individual assets can be difficult to arrange and interfere with the customer assets. Evidence requirements should be kept simple and scalable to minimise the reporting burden and ensure timely compliance.

AGL welcomes further clarification around the Method Guide and looks forward to further consultation on any scheme expansion options under investigation.

If you would like to discuss any aspect of this submission, please contact Casey Barkla-Jones at cbarkla@agl.com.au or Kyle Auret at kauret@agl.com.au.

Yours sincerely,
AGL Energy