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NEM Reform Program

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### Voluntarily Scheduled Resource Guidelines – Draft Report

AGL Energy (**AGL**) welcomes the opportunity to provide responses to the questions posed by the Australian Energy Market Operator (**AEMO**) in response to the abovementioned draft report and guidelines.

AGL is making a significant investment in flexibility and has been making strong progress against our grid-scale battery and distributed energy resources (DER) targets. 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 also a market leader in the development of innovative products and services that enable our customers to make informed decision on how and when to use their consumer energy resource (CER) assets to optimise their energy load profile and better manage their energy costs.

AGL supports the intent of the Integrating Price Responsive Resource (IPRR) Rule and welcomes AEMO's open consultation process to date and the additional detail provided in this draft stage of consultation. AGL would like to highlight the following matters ahead of the commencement of 'dispatch mode':

- AGL does not support requirements on Voluntary Scheduled Resource Providers (VSRPs) to provide resource-level information on assets which are not under direct orchestration, and notes DNSPs continue to be best placed to supply this information to AEMO.
- AGL supports changes to telemetry requirements for systems 5 MW and under but notes the requirements for VSRs over this threshold could effectively cap VSR participation from residential systems.
- AGL considers it is not technically feasible to meet the proposed ramp rates in the *Power System Security Guidelines* with large aggregated mixed Original Equipment Manufacturer (OEM) residential battery fleets given the existing Application Programming Interface (API) constraints. The current ramp rate requirements could therefore preclude participation of this asset class from dispatch mode.
- Full adherence to the *Power System Data Communication Standard* will be challenging for the larger assets AGL intends to operate in the over 5MW category.
- AGL welcomes AEMO and DNSPs' productive work to date on network limits. However, this matter will need to be resolved ahead of the commencement of dispatch mode. VSRPs should not be held accountable for non-conformance under circumstances where the market participant could not reasonably foresee the impact of this DOE change to its operations.

We look forward to continuing to engage with AEMO on the implementation of this Rule. Appendix A includes detailed feedback on key topics and Appendix B includes minor proposed changes and clarifications. If you have any queries about this submission, please contact Andrea Espinosa on [aespinosa2@agl.com.au](mailto:aespinosa2@agl.com.au).

Yours sincerely,

Kyle Auret

Senior Manager Policy and Market Regulation



## Appendix A – Feedback on draft Voluntarily Scheduled Resource guidelines

Topic	Feedback
VSR zones	<p>AGL supports the use of congestion-based VSR zones and the extended notice period to industry ahead of future zone changes. However, AGL seeks clarity on the date on which the mapping between VSR Zones, TNIs and NMLs will be available to industry. This mapping should be released as early as possible to enable prospective VSRPs to build up capacity to participate in dispatch mode. Even a partial mapping between TNIs and VSR Zones would be useful while AEMO completes its mapping of TNIs to zone substations.</p>
Nomination of a VSR	<p>AGL does not support requirements on VSRPs to provide resource-level information on assets which are not under direct orchestration. AGL would support a requirement for VSRPs to provide resource-level information for assets under orchestration (e.g., a battery system) but not the other resources at the site (e.g., rooftop solar).</p> <p>AGL acknowledges the challenges around the coverage and completeness of data in the DER Register and work underway as part of the CER Data Exchange to improve access to this database. However, VSRPs are not best placed to collect site-level information for resources which are not under orchestration. This information would also represent a very small subset of the installations. DNSPs collect this information as part of their connection agreements and continue to be best placed to supply this information to AEMO.</p> <p>Even where VSRPs have installed the orchestrated assets, the information captured at the time of installation may not remain current for long. For example, in jurisdictions where Premium Feed-in Tariffs are rolling off, consumers are likely to upgrade their solar systems shortly after and the information should be collected through installer-DNSP channels. Obtaining up-to-date information for non-orchestrated assets would require retrospective visits to the customer's site, complicating customer recruitment into our virtual power plant (VPP). This could have unintended impacts on the uptake of VPPs and participation into dispatch mode.</p>
Portfolio management	<p>AGL supports uplifts to AEMO's Portfolio Management System (PMS) and the proposal for AEMO to automatically revoke the nomination of a qualifying resource from a VSR if the VSRP ceases to be the FRMP for that resource. However, AGL reiterates its position that it would be preferable to 'hold' (retain) the resource qualification to the FRMP for a few days (e.g., 5 business days) in case the qualifying resource returns to the original FRMP within a short window of time. These short-lived changes can occur due to accidental customer churn or errors in B2B processes. In the absence of this 'hold' function, the VSRP would be required to re-enrol the resource into the VSR resulting in both an opportunity loss and unnecessary effort. More broadly, AGL reiterates the importance of ensuring the PMS is fit for purpose and creating a seamless process for nominating qualifying resources.</p>
Telemetry requirements	<p>AGL supports the new category for VSRs under 5MW and considers this would enable mixed residential fleets to participate in VSRs. AGL's current assessment is that residential fleets would not be able to meet the 4 second update frequency. Therefore, residential fleets would effectively be capped at 5 MW per VSR.</p> <p>AGL seeks further information on the <i>Quality flag</i> and <i>Validations</i> requirements as their application is not entirely clear.</p> <p>AGL's view is that conformance should consider the update frequency of telemetry.</p>

Topic	Feedback
Capability assessment	<p>AGL supports the proposed capability assessment. AGL is interested in understanding which ‘technology types’ can be individually selected during the nomination stage and seeks clarification on when the category ‘mixed technology’ would apply.</p> <p>AGL seeks clarification on whether VSRs participating in both contingency FCAS and dispatch mode would be rolled into one DUID. AGL’s view is this is essential, as the management of two separate DUIDs would complicate participation in both markets.</p>
Metering requirements	<p>AGL supports the proposed metering requirements.</p>
VSR conformance	<p>AEMO would need to make the dispatch mode power targets and ramp rates very explicitly defined for VSRs, and keep in mind the residential fleets have constraints on how often assets can be sent control commands.</p> <p>The draft guideline points back to the <i>Power System Security Guidelines</i> for conformance. AGL’s current view is that it is categorically impossible for large aggregated mixed-OEM fleets of residential VPPs to fully adhere to traditional power-ramp rates and targets if the ramps will vary based on power target. Fleet wide, stable, net-site-power targets in general are challenging for VPPs.</p>
Data & information sharing	<p><i>Network limits and VSRs</i></p> <p>AGL reiterates that adequate visibility of dynamic operating envelopes (DOEs) is critical to inform participation in dispatch mode. In practice, VSRPs will require access to forecast DOEs to successfully meet both AEMO and DNSP requirements.</p> <p>AGL acknowledges interrelations between the CER Data Exchange and the broader CER Roadmap workstreams. AGL is also working productively with DNSPs on DOE communications. However, these projects are still in early stages and it will be important to ensure this matter is resolved before dispatch mode commences.</p> <p>As noted in our previous submission, VSRPs should not be held accountable for non-conformance under circumstances where the market participant could not reasonably foresee the impact of this change to its operations, such as where a DNSP changes a network limit with short notice or where the DNSP overrides the VSRPs’ instructions without prior knowledge from the VSRP.</p> <p><i>Network collection of VSR data</i></p> <p>AGL notes sensitivities around NSP data collection where these organisations are also owners of DER/CER assets. Access to VSR data and visibility of their detailed operations (e.g., via telemetry data and revenue metering data) could pose competition risks if this data is not appropriately managed. Therefore, the dissemination and use of this information should be tightly controlled to avoid DNSPs leveraging their advantages as regulated monopolies in the delivery of ring-fenced activities.</p>



## Appendix B – Secondary Comments

Reference	Feedback
2.2(d) and 3.2.1(e)(i)	Given that the further information required may involve either a technical or engineering action or information from the asset owner / customer, the applicant should be able to negotiate a response period to pause the application rather than have the application withdrawn.
2.3(d)	AEMO could consider enabling market participants to nominate a date at which the voluntary resource ceases to qualify within the notice, in addition to the default option of ceasing on the date in which the notice is provided.
3.2.2	AGL seeks clarification on the PASA implications of removing a qualifying resource resulting in forced hibernation.
4	AGL seeks clarification on whether the default loss factor of 1 would result in a change to NMI standing data and market settlements.
6(a)(i)	AEMO could consider exceptions where there is a forced network outage or an emergency situation which leads to disconnection of the resource within a trading day.
6.2	AGL seeks clarification on whether there are any PASA obligations on hibernated resources.
6.4.1	AGL's preference would be for the notice period for deactivation and hibernation to be consistent at seven trading days.