

WHOLESALE ELECTRICITY MARKET

Submission to Procedure Change Proposal

EEPC_2024_01

WEM Procedure: Benchmark Reserve Capacity Prices

Submitted by	
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Date submitted:	6 May 2024

Submission

Clause 2.10.7 of the Wholesale Electricity Market Rules provides that any person may make a submission for a Procedure Change Proposal (including proposals developed by AEMO, the Economic Regulation Authority, the Coordinator of Energy or a Network Operator) by completing this Procedure Change Submission form.

Submissions should be provided by email to the nominated contact in the call for submissions published with the Procedure Change Proposal.

Please provide your views on the Procedure Change Proposal, including any objections or suggested revisions

Thankyou for the opportunity to provide our views on the PCP. We have only a few comments on the proposal being:

- 1) Degradation of lithium batteries is well documented. We understand that the cost of replacement of degraded capacity is envisaged to be recovered as a variable cost contained within the SRMC bid of the facility. We request the ERA consider this position as these are essentially fixed costs (with a small variability subject to utilisation). It is expected whether the batteries are cycled or not, degradation will occur in the underlying chemistry and therefore is a fixed O&M requirement to maintain the 200MW/800MWh requirement. It is clear with additional cycling, replacement costs will be higher, but there is an underlying degradation which requires consideration. This underlying degradation should be incorporated into the fixed O&M cost.
- 2) Regarding the land sizing component for the BESS component (3ha), we seek confirmation that noise considerations have been taken into account (and if not, have the required noise walls been incorporated into the construction pricing?). At full power, noise emission from batteries may potentially exceed nearby boundary requirements, so the land boundaries and sensitive receptors need to be a sufficient distance away from the source to comply. Related to point (1) additional space will be required for ongoing additions to capacity to sustain the 800MWh usable energy requirement (and the potential noise boundaries around this expanded area). If 15 years is the provided life span for the procedure, then space for 15 years of degradation should also be allocated to replace the degraded capacity.

Please provide an assessment whether the Procedure Change Proposal is consistent with the Market Objectives and the Wholesale Electricity Market Rules.

Yes, we believe in the whole, the PCP is consistent with the Market Objectives and the Wholesale Electricity Market Rules.

Please indicate if the Procedure Change Proposal will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

N/A

Please indicate the time required for your organisation to implement the changes, should they be accepted as proposed.

N/A