

## Appendix A Format for submissions

<b>Submitter</b>	Tesla
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<b>Questions</b>	<b>Comments</b>
Q1. Do you agree with the proposed amendment for connection charges for shared connection assets?	Tesla supports the directionality of the proposed amendment to streamline the connection charges for shared connection assets. Providing a streamlined approach will support the investment of new storage assets.
Q2. Will the proposed amendment have any unintended consequences for unusual connection arrangements, eg complex connections?	Tesla does not currently foresee any unintended consequences for standard storage projects, although would encourage a worked example for the impact on a co-located storage and generation asset behind the same connection point.
Q3. Do you agree with the proposed amendment to the residual charge annual adjustment?	Tesla believes that storage should be exempt from the anytime gross demand (AMDR) charge for load customers, given storage assets are not 'end-use consumers' and therefore should not be considered as load in a traditional sense. Storage systems are multi-functional assets – providing a range of different services – critical to enabling increasing integration of low-cost renewables and replacing system security services traditionally provided by the synchronous generation fleet. Importantly, battery storage can act as a network benefit (being driven by price signals) ensuring the network optimised for more efficient use – e.g. charging when energy is abundant and demand is low (with low prices); and discharging into the grid when demand is high and energy is valuable. Therefore, this ensures BESS have the opposite effect to traditional load customers – at a minimum should avoid the residual charge component, at best be rewarded with positive payments from such adjustments to reflect benefits provided.
Q4. The residual charge is intended to be non-distortionary and this proposed amendment is aimed at levelling the playing field and avoiding inefficient investment (irrespective of technology). Are there any other approaches the Authority should consider to address this issue?	Tesla is highly supportive of the Authority's proposal for the TPM and the directionality of the changes and recommends a consideration for an equivalent treatment of storage assets in Australia's National Electricity Market (NEM). While the National Electricity Rules (NER) technically allows for Transmission use of Service (TUOS) charges to be applied, Tesla is not aware of a single transmission connected battery that currently pays those costs – all systems are exempt.

<p>Q5. Do you agree with the objectives of the proposed amendment? If not, why not?</p>	<p>Tesla agrees with the NZ’s objective with the TPM methodology amendment to provide a level field for investment in BESS. Storage assets provide critical essential system services and network support, with demonstrated benefits for reliability, affordability, and emissions reduction.</p>
<p>Q6. Do you agree the benefits of the proposed amendment outweigh its costs?</p>	<p>Yes.</p>
<p>Q7. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority’s main statutory objective in section 15 of the Electricity Industry Act 2010.</p>	<p>Yes, although Tesla encourages further exploration into the exemption of storage from load charges more broadly.</p>
<p>Q8. Do you agree the Authority’s proposed amendment complies with section 32(1) of the Act?</p>	<p>Yes.</p>
<p>Q9. Do you agree with the objectives of the proposed amendment? If not, why not?</p>	<p>Yes.</p>
<p>Q10. Do you agree the benefits of the proposed amendment outweigh its costs?</p>	<p>Yes, although Tesla encourages further exploration into the exemption of storage from load charges more broadly.</p>
<p>Q11. Do you agree the proposed amendment is preferable to the other option? If you disagree, please explain your preferred option in terms consistent with the Authority’s main statutory objective in section 15 of the Electricity Industry Act 2010.</p>	<p>Yes.</p>
<p>Q12. Do you agree the Authority’s proposed amendment complies with section 32(1) of the Act?</p>	<p>Yes.</p>
<p>Q13. Do you have any comments on the drafting of the proposed amendment in Appendix A?</p>	<p>Tesla attaches its submission into Australia’s Integrating Energy Storage Draft Determination<sup>1</sup> as further rationale for its position in this submission and looks forward to further discussion with the Authority to discuss its viewpoint.</p>

<sup>1</sup> [https://www.aemc.gov.au/sites/default/files/documents/a19\\_tesla.pdf](https://www.aemc.gov.au/sites/default/files/documents/a19_tesla.pdf)

Q14. Do you have any comments on the drafting of the proposed amendment in Appendix B?

See above.