

25 September 2020

Audrey Zibelman
CEO
Australian Energy Market Operator
By email: DERProgram@aemo.com.au

ENERGY CONSUMERS AUSTRALIA SUBMISSION ON THE INITIAL DISTRIBUTED ENERGY RESOURCE MINIMUM TECHNICAL STANDARDS ISSUES PAPER

Dear Audrey,

We appreciate the opportunity to comment on the Australian Energy Market Operator's (AEMO) *Initial Distributed Energy Resource Minimum Technical Standards Issues Paper*.

Energy Consumers Australia is the national voice for residential and small business energy consumers. Established by the then Council of Australian Governments Energy Council in 2015, our objective is to promote the long-term interests of energy consumers with respect to price, quality, reliability, safety and security of supply.

We have considered the proposed approach in AEMO's Issues Paper in the broader context of the complementary work underway by the Australian Energy Market Commission (AEMC) and Energy Security Board (ESB) in addressing system security concerns related to increasing uptake of distributed energy resources (DER). In the submissions that we made to these processes, Energy Consumers Australia's overarching view is that there is a need for time and space for the discussion of technical standards to go beyond consideration of engineering solutions to include the ways in which consumers will experience and interact with them.¹ In short, Energy Consumers Australia is not persuaded that there is a need to develop Initial DER Minimum Technical Standards at this time.

We appreciate that the rapid uptake of rooftop solar PV by households and small businesses presents a challenge to both the market operator and the system design, which was not originally designed to accommodate variable, decentralised technology. We consider that this challenge presents an opportunity for the energy sector to recast the way it serves the community. With the right conditions, consumers can partner with industry to deliver the services needed to both mitigate the risk of system security issues while also benefiting consumers through lower bills.

As noted in the Issues Paper, South Australia is already considering both inverter undervoltage ride-through requirements and test procedures for inverter capability to address their immediate need to manage security. Given this, we question the urgency for the proposed Initial DER Minimum Technical Standards at this time and consider these might be better addressed under the proposed DER Standards Governance Committee.

We agree that the data, communications and interoperability capabilities for DER should not be incorporated in the Initial DER Minimum Technical Standard at this time. Delaying their inclusion will allow time to develop requirements that deliver better outcomes for consumers. Technical standards

¹ The submissions are available at: <https://energyconsumersaustralia.com.au/wp-content/uploads/Submission-to-the-National-Electricity-Amendment-Technical-Standards-for-Distributed-Energy-Resources-Rule-2020..pdf>
And at: <https://energyconsumersaustralia.com.au/wp-content/uploads/Submission-to-the-ESB-Governance-of-DER-Technical-Standards-Consultation-Paper.pdf>



must empower consumers to manage and control their appliances, generation and energy storage assets.

We consider that empowering consumers in this way will be more effective in unlocking greater potential from DER. Our research shows that consumers are willing to change their behaviour and are willing to play a part in the market transition.² Partnering with consumers could also help to address issues relating to already installed DER, as consumers may be willing to have their legacy systems adapted or modified.

Energy is deeply integrated into social and business practice and so changes to the cost, the mode of delivery or the way energy is able to be used in the home or the business can be very disruptive. Taking the time to develop DER standards that meet consumer expectations will help to rebuild consumer trust and confidence in the energy markets that are currently so low.³

Should you have any questions about our comments in this submission, or require further detail, please contact Jacqueline Crawshaw, Acting Director, by phone on 02 9220 5520 or by email at jacqueline.crawshaw@energyconsumersaustralia.com.au.

Yours sincerely,

Lynne Gallagher
CEO (Interim)
Energy Consumers Australia

² Consumers are telling us that they are willing to change their behaviour. The June 2020 Energy Consumer Sentiment Survey shows that around 70-81% of households and 82% of small businesses are willing to respond to requests to reduce their usage and less than 30% would require an incentive to do so.

³ While our June 2020 Energy Consumer Sentiment Survey results show consumers' confidence that the market is working in their interests has increased, this is from a very low base. Around two thirds of consumers are not confident in the market.