



EnergyAustralia

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Ms Daniela Moraes
Australian Energy Market Commission
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Dear Ms Moraes

Consultation Paper: Register of Distributed Energy Resources

EnergyAustralia is pleased to make this submission to AEMC's Consultation Paper: National Electricity Amendment (register of distributed energy resources) Rule 2018. We are one of Australia's largest energy companies, with over 2.6 million household and business customer accounts in NSW, Victoria, Queensland, South Australia and the Australian Capital Territory. We also own and operate a multi-billion dollar portfolio of energy generation facilities across Australia, including coal, gas and wind assets with control of over 4,500MW of generation in the National Electricity Market.

EnergyAustralia agrees with the high-level objectives set out in the Consultation Paper that increased transparency of distributed generation resources has the potential to improve efficiencies in market and network investment. However, our support is qualified on the basis that comprehensive planning and development in establishing the need for and objectives of a Register of distributed energy resources (DER) must first be done if any real benefits are to be realised. We are not convinced that the work to date has been as comprehensive as now appears to be necessary, and we are concerned that any efficiency gains will be outweighed by the costs of ad hoc development and implementation.

1. Cost benefit analysis

The benefits of the register require further exploration. This is highlighted in the Consultation Paper where it is stated that COAG expects the proposed rule change will improve power system operation. This benefit is then qualified by the statement that the materialisation of such a benefit will depend on the types of systems and data that are collected by the Register.¹ We believe that more work needs to be done to identify the objective and scope of the register in order to define system design and the information to be collected (not the other way around as suggested in the paper). To do otherwise will be costly and inefficient as it could result in the collection of information that is not useful to anyone and at great expense. This also suggests that the cost benefit analysis conducted to date is incomplete.

¹ AEMC, Consultation Paper: National electricity Amendment (Register of distributed energy resources) Rule 2018, 6 March 2018, p14.

We also note that there are other potential benefits that haven't been identified and which should also inform a cost benefit analysis. These include considerations such as authorised access to data by third party providers who can provide advice to end users about their DER (e.g. energy health checks and tailoring of products and services to the customers based on existence and attributes of other DER at the premises). In addition, there are other advantages to be considered such as battery (and other asset) recycling initiatives. A register may be useful in this encouraging or monitoring opportunities for maintenance, disposal or recycling of batteries. While a register may be useful in this scenario consideration should also be given to other opportunities to inform and promote these types of services.

At this stage the objectives don't appear to be sufficiently defined. While we can see that a register may, in some form, deliver broader market benefits; limitations of static data may hinder longer term objectives that may be developed over time. This is another reason why all perceived benefits must be identified, assessed and quantified to understand the type of system and the information to be collected (such as the currency of the data). A further consideration is the accuracy of the data; we doubt that capturing all DER at all sites will be possible (see section 3) and the accuracy of the register (type and information) will clearly come at a trade-off in terms of the costs to maintain it.

2. Connection point

We agree that there is no clear and easy to use definition of connection point that the register can refer to. While NMI is the obvious choice, this may be problematic where the DER is not associated with one NMI. However, given the lack of viable alternatives, and the value of NMIs to AEMO's forecasting needs, NMIs are in our view the most appropriate choice in current circumstances. NMIs also allow for the added benefit of this data being linked to the data provided by retailers to AEMO about demand management arrangement with customers under the Demand Side Participation and Information Guidelines, not to mention the potential value add to these new arrangements. Also, NMI level data appears most useful for AEMO's forecasting needs.

Of course, given the known commercial sensitivities around demand side participation and demand response capabilities, appropriate mechanisms will need to be in place to ensure the integrity of the register and restrict access to confidential information (and of course costed and weighted against the benefits of receiving that confidential information).

3. Data Collection

Ideally, and where possible, to achieve the yet to be defined objectives, any data collection processes should be closely aligned with existing practises and parties involved in collecting the data to minimise any additional costs to maintain the data required.

The practicalities of collecting and maintaining the data seem substantial. The database established will likely have low overall integrity given the inability to easily capture relevant and contemporaneous data (including whether the DER is still at the site, or has an updated configuration). Compelling parties to collect this information will help, but we expect would also increase the costs and, as noted, increased costs of capturing what will be an incomplete picture of DERs.

4. Privacy

As is always the case with data collection that is directly attributable to individuals, customer engagement is essential in order to understand their concerns for the potential unauthorised release of information; inadvertent or otherwise.

Access to the data collected by the register should only be available to authorised persons (including customers) and protected by similar procedures that apply to current practices for meter data and MSATS data – i.e. it's available to different parties in different ways and customers need to prove that they are the account holder to access it. We don't see a need to limit access to the data for retailers or other parties as this may limit its benefits or complicate the process of keeping the data current. We propose that access is only provided to some third parties where the customer has consented. The organisation hosting the data would also need to be able to certify each industry party (e.g. a distributor, retailer, or other organisation) at an overall level as well.

5. Safety Issues and Emergency Response:

Our preliminary view, is that there are existing jurisdiction specific safety standards and regulations which are designed to regulate electricity systems and that it is for those jurisdictional departments to consider whether there is greater safety regulation required. We acknowledge that emergency response matters may benefit in having access to a central register of DER, but are unsure if current safety standards or regulatory mechanisms are inadequate.

Ideally, the AMEC could engage directly with those regulators and emergency services to ascertain their views of the safety issues, and if these groups need, want or will have the capability to make use of the register of DER. These groups will also be able to more clearly identify how DER may more appropriately regulated. For example, this may include requirements to have on-site notices or registers at sites where hazardous materials are stored. Consideration should also be given to cost recovery for additional information captured to meet their needs, and provision of access to these parties.

6. Conclusion

EnergyAustralia agrees that the DER register has potential benefits, but believes that it should only proceed in full or in part where it can be shown that the DER register can be created and run with sufficient accuracy and completeness to achieve the benefits, and provided that an updated cost benefit analysis shows it is worthwhile proceeding. Other options that may help to reduce the costs or address the problem in a different way include:

- trialling data collection in certain sections of the DER industry, or in one state first; or
- data analysis and studies of different profile types may be a simpler, less costly and more accurate way to detect the types of DER present at each site.

EnergyAustralia looks forward to participating in further consultation with AEMC on the DER register that will result in longer-term benefits of customers and the market. Should you require further information regarding this submission please call Samantha Nunan on (03) 8628 1516.

Yours sincerely

Melinda Green

Industry Regulation Leader