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Australian Energy Market Commission

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AEMC Draft Rule Determination - National Electricity Amendment (Register of distributed energy resources) Rule 2018

AGL Energy (AGL) welcomes the opportunity to respond to the Australian Energy Market Commission's (Commission) draft rule determination regarding a National Electricity Amendment to establish a register of distributed energy resources (DER) (Draft Rule).

AGL strongly supports the principles of open access to data and continue to advocate for designing data sharing platforms that are the most conducive to new data sets, new data uses and new participants, as this approach best services the long-term interests of customers. AGL appreciates the underpinning rationale for the Draft Rule, namely that there is an emerging need for Network Service Providers (NSPs) and Australian Energy Market Operator (AEMO) to have greater visibility over DER as their aggregate impact on the power system grows.

However, AGL do not consider that the development of a static centralised register can be considered the most cost-effective manner of collecting or storing data when it is a subset of the overall energy data framework that is currently being considered at different levels. Specifically, the Open Data and Consumer Data Right aspects being considered by the COAG Energy Council.

AGL recommend the Commission take a top-down approach for energy data dissemination across all relevant data fields that utilise the same data-sharing model. AGL consider that this is a decentralised model built on API technology as a way of future-proofing the changing of both technological/data needs, and new participants/disruptive business models. This approach will allow easy access through a gateway portal for all kinds of energy data to all kinds of participants, not just AEMO and distributors, but retailers, third parties and governmental and non-governmental organisations.

AGL therefore recommend the Commission decide on the DER register structure when more is known about the broader access to energy data work that is being considered by the COAG Energy Council on 16 August 2018.

The remainder of this submission raises other matters AGL consider relevant to the Draft Rule. Should you have any questions or comments, please contact Kathryn Burela on 0498 001 328 or kburela@agl.com.au.

Regards

A handwritten signature in blue ink, appearing to read 'Con Hristodoulidis'.

Con Hristodoulidis

Senior Manager Retail Regulation



Consumer Data Right

In AGL's view, the electricity grid of the future will be a gateway to multiple competitive platforms that enable a range of markets for customers. AGL considers that the energy market transformation presents an important opportunity to empower customers to more fully participate in the broader energy market.

AGL strongly supports a decentralised model as the most cost-efficient and long term viable option for the market in managing data across different participants, across Australia. AGL support designing data sharing platforms that allow for the use of existing data management tools by participants with data transferred via application programming interfaces (API).

A decentralised model, such as an API endpoint (or modifying the Shared Market Protocol (SMP)), would mean that all data collection and dissemination could be rolled out to various participants, whether retailer, network, NGO or other. This would ensure that as business models develop to disrupt retailer and network functions, the way data is collected and disseminated is maintained and fit-for-purpose.

In the draft determination, the Commission note that the DER register complements other initiatives such as the CDR – however this appears based on a presupposition that a centralised model is the most appropriate. If COAG endorses a decentralised model, then the regulatory burden and costs to participants in data sharing (and the potential duplication of data) will be higher than the Commission is currently anticipating.

Data collection and quality

AGL recognise the benefits of the collection of information to assist in the operation of the power system and AEMO forecasting and modelling. However, AGL consider that the information collected regarding DER will benefit more than just network infrastructure planning and AEMO forecasting in the future. It will help inform accredited third-party providers under the CDR who will provide tailored products and services to customers based on their attributes. AGL note that AEMO strongly favoured one, consistent access framework for the DER register and broader standing and meter data by third party providers.¹ AGL continue to consider that a static register of DER assets is not the best way to gain insight into the behaviour of DER in aggregate.

AGL question the quality of information available in a static register. After the initial connection, it is difficult to track additions or alternations to the generator or the addition of battery storage equipment meaning the data will become less accurate over time. While any data can be valuable, it is unclear how the rule change will encourage data accuracy and indeed an outdated register may give the perception of more active DER than continue to be in use and as such will impact network investment decisions.

AGL support reduction of regulatory burden and costs where appropriate, but a cost-effective static register, with benefits that develop incrementally,² means that a static register will only serve as a stop-gap as additional requirements are built in, more participants seek access and develop use for the data, and as the CDR requirements develop.

¹ AEMO, submission to consultation paper, p.3 <https://www.aemc.gov.au/sites/default/files/2018-04/AEMO.pdf>

² Draft determination, p.18 <https://www.aemc.gov.au/rule-changes/register-of-distributed-energy-resources>



AEMO Guidelines

The Draft Rule introduces a data sharing framework that obliges AEMO to share disaggregated data regarding the locational and technical characteristics of devices in the DER register with network businesses in relation to their network areas. It also requires NSPs to provide AEMO with all currently held DER generation information within their network as part of the first reporting cycle and AEMO will be responsible for developing guidelines.

The scope, and therefore the obligations of participants and impacts to customers (by the type of data to be collected) through the AEMO guidelines is unclear at this point. AGL is unable to comment on any supposed benefits from the proposed rule change as the majority of detail that will impact development and implementation is being left to AEMO for consultation.

In the draft determination, the Commission notes that it is very likely that the nature of DER will change in the future, driven by market led developments or regulatory change. It is likely that the nature of the players will change and evolve too as new participants enter or disrupt the market and seek to utilise DER information.

While the nature of guidelines may allow for a greater degree of flexibility to account for the technological changes, as noted by the Commission in the draft determination, it is important to note that placing enforceable obligations on some of these parties is not possible under the NER or NERR and would require changes to the national energy laws or jurisdictional legislation.³ Therefore, the proposed DER static register through AEMO guidelines will only remain flexible for limited technology developments, not other market or participant developments, and will therefore require alternative means of collecting and sharing this data.

AGL considers that until a top-down approach is undertaken there is scope within the existing regulatory framework for distribution businesses to obtain visibility of DER assets, including through data sharing contractual arrangement where necessary.

Privacy

Consistent with any requirements that sit in the CDR, and with the exception of uses by AEMO, AGL continues to consider that customers should be notified of the data they are sharing and be able to easily revoke access. The AEMO guidelines will need to detail the type of customer information that is to be collected, however AGL does not support the NSP's proposal to access DER information on a site or customer specific basis. If the AEMO Guidelines developed go down to a granular level of detail (i.e. the customer's address, NMI) then the customer should have a right to know who is accessing this data and how.

With customers' privacy concerns in mind, we consider that it would be more appropriate for customer data to be transferred via APIs rather than aggregated into a static register. The data would be housed with the data owner rather than in a central repository. In line with the CDR, accredited parties would be able to access this data with customers' explicit informed consent which helps future-proof the data collection.

³ Ibid. p.38