

3 November 2022

Ben Barr
Chief Executive Officer
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Dear Mr Barr

RE Review into consumer energy resources technical standards

TasNetworks appreciates the opportunity to make a submission to the Australian Energy Market Commission (**AEMC**) regarding the review into Consumer Energy Resources (**CER**) technical standards in the National Electricity Rules (**NER**).

TasNetworks is the Transmission Network Service Provider (**TNSP**), Distribution Network Service Provider (**DNSP**) and Jurisdictional Planner in Tasmania. The focus of these roles is to deliver safe, secure and reliable electricity network services to Tasmanian and National Electricity Market (**NEM**) customers at sustainable prices. As such, TasNetworks is committed to ensuring customers can maximise the benefit of their investment in CER.

The smaller the power system, the greater the effects of non-compliance to CER technical standards, since larger power systems are more able to absorb the impacts. Given this fact, TasNetworks, as operator of a smaller power system, was active in the national discussions leading up to the release of AS/NZS 4777.2:2020 and support efforts made to ensure compliance to the standard, and future standards relating to CER, nationally.

CER penetration in Tasmania is currently relatively low and the consequences of non-compliance remain limited. This is reflected in the fact that the Tasmanian Electricity Code (**TEC**)¹ currently does not contain any rules requiring the DNSP to monitor and enforce compliance of a customer's CER with any technical standards. So, while TasNetworks approves all new CER installations in our network and retains data on those installations to ensure the safe operation of the distribution network, we don't inspect new installations or audit existing installations for compliance. The inspection of electrical installations for safety is overseen by the Tasmanian Department of Justice through its electrical safety inspection regime. As part

¹ Compliance with the TEC, administered by Tasmania's [Economic Regulator](#), is a licence condition for TasNetworks as a DNSP.

of that they [require compliance](#) to AS/NZS 4777 for photovoltaic installations but again, enforcement is not undertaken proactively.

However, while the current uptake of CER is low, it is growing every year and is forecast to increase rapidly with the uptake of electric vehicles², and along with it the impact of non-compliance will increase. To be prepared for this future, TasNetworks was involved in national discussions, led by Energy Networks Australia (**ENA**), on the 'National Distributed Energy Resources Grid Connection Guidelines'. This had resulted in the production of our own [Embedded Generation guidelines](#).

TasNetworks is supportive of the introduction of nationally consistent CER technical standards with compliance and enforcement tailored to jurisdictional circumstances. For example, while we understand that a DNSP may seem well placed to be responsible for the compliance and enforcement of CER technical standards, the economic benefit of requiring DNSPs to undertake this task needs to be assessed. Given, that in jurisdictions like Tasmania, other parties (for Tasmania Electrical Safety inspectors) already attend sites for electrical safety reasons, sending a second team to also inspect the electrical installation, even if for a different reason, seems inefficient.

Since compliance can change over time, through for example, through loss of communications, software changes to equipment or changes to settings, a level of on-going monitoring will be required. On-going monitoring of electrical installations is not currently undertaken in Tasmania, and will incur a new cost which will need to be recovered. Given these costs are directly related to a specific cohort of customers it would be appropriate to recover these costs from that cohort. However, the current suite of tariffs do not provide a ready means to achieve this, so the costs will be recovered from the broader customer base.

TasNetworks is committed to ensuring customers can maximise the value of their CER. However, this must not occur at the expense of safety or by imposing undue costs for customers who do not receive benefit from the CER.

For more information or to discuss this submission, please contact TasNetworks' Head of Regulation, Chantal Hopwood, at Chantal.Hopwood@tasnetworks.com.au.

Yours sincerely



Michael Ash

Executive Stakeholder

² See Australian Energy Market Operator's 2022 Integrated System Plan (ISP).