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Andrew Swanson
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Australian Energy Market Commission

Dear Andrew

Review into consumer energy resources (CER) technical standards – Submission to draft report

AusNet welcomes the opportunity to provide this submission to the Australian Energy Market Commissions' (**AEMC**) draft report on the review into consumer energy resources (**CER**) technical standards.

As highlighted by the AEMC in the draft report, the high level of CER non-compliance is generating growing risk on the safety and security of energy supply, given the large collective size of CER across the National Electricity Market (**NEM**) and anticipated strong growth in new connections in the future.

We broadly support the AEMC's recommendations on improving CER compliance and consider that if implemented together, the recommendations should result in an uplift in compliance with the Australian Standards (**AS**) 47777.2:2020 across Australia.

However, as the majority of the recommendations are intended to be short term voluntary measures, the AEMC's review should also address existing and ongoing gaps in the regulatory framework that have led to the insufficient level of non-compliance of AS 4777.2:2020. Without this, there is an emerging risk that CER standards such as the Common Smart Inverter Profile Australia (**CSIP-Aus**), and the standards currently being considered for electric vehicle (**EV**) smart chargers, will experience the same levels of non-compliance in future.

Below we expand on the need for a targeted regulatory framework review, including setting up a clear framework for inverter settings data sharing.

Changes to the regulatory framework are necessary for ensuring compliance with all CER standards

In the draft report, the AEMC's recommendation 13 highlights the need for jurisdictions, the AEMC, the Australian Energy Market Operator (**AEMO**) and the Australian Energy Regulator (**AER**) to progress work to assess whether a reform of the national technical regulation for CER is needed, and what that might involve.

However, we consider there is sufficient evidence of gaps in the existing regulatory framework today, mainly in the form of clarity around roles and responsibilities of different industry participants, that if left unaddressed will continue to result in non-compliance with the AS 4777.2:2020, but also non-compliance in other emerging standards in the sector, such as the CSIP-Aus or standards being considered for smart EV chargers.

Rather than proposing a future review, we encourage the AEMC to address known gaps in the regulatory framework as part of this review, with the aim of providing recommendations for changes in the regulatory framework in the final report. This should include considerations of:

- Roles and responsibilities of different industry participants and regulators, as part of a larger CER governance framework that includes consideration of all CER technical standards.
- Introducing softer enforcement measures for distributors to address non-compliance, including remote adjustment of inverter settings where possible, or, for example, delaying customer assignment to preferential tariffs until non-compliance is rectified.
- Obligations on CER retailers and installers to formally recognise the responsibility and liability of inverter compliance. For example, introducing a product warranty arrangement where the warranty is specific to inverter compliance with technical standards and network requirements, or minimum service standards related to installation practices.

Urgency is needed given CSIP-Aus may be implemented at a wide scale as early as 2024—without the clear framework for its implementation, the industry will likely see similar levels of confusion and inconsistencies in implementation that have led to high levels for non-compliance of AS 4777.2:2020.

A regulatory framework around inverter settings visibility should be a priority

We support distributors introducing measures for ensuring compliance of CER at the time of connection by seeking visibility of invert settings before finalising a connection process. While the AEMC has recommended the use of commissioning sheets, the recommendation should be broader and allow for use of any process or technology that can deliver the same outcome at lower cost. For example, a more efficient way to gather inverter settings data from an installer at the time of connection may be through an online portal, rather than a commissioning sheet.

In the longer term, visibility of inverter settings will be necessary on an on-going basis and in near real time. In Victoria, distributors have the capabilities to test for some settings using smart meter data and would not need to obtain inverter data from original equipment manufacturers (**OEM**) at all times, which should reduce the cost of data sharing. However, it is important distributors can access settings data quickly when needed, whether to implement a solution that is reliant on compliance with the technical standards or identify a potential non-compliance if there is evidence of abnormalities. This functionality will become increasingly important as distributors transition to the role of the distribution system operator (**DSO**) and low voltage network management becomes more dynamic and in real time.

The AEMC recommends voluntary inverter data sharing between OEMs and distributors, without proposing data sharing obligations that would deliver a least cost solution for all customers. Given the importance of visibility of inverter settings for dynamic network management now and in the future, we encourage the AEMC to consider options for a structured data sharing framework as part of the review. This could be included in the targeted review of gaps in the regulatory framework.

Data sharing may not be between distributors and OEMs alone. Some settings, such as the fault ride-through capability, are unlikely to be able to be detected using smart meter data. Hence, there are circumstances where inverter data sharing may be required for system security purposes, where data should be shared directly with AEMO or transmission system operators.

One avenue for increased ongoing visibility could be through changes to the CSIP-Aus (the standard may become mandated in inverters from 1 July 2024[1]). The current version of CSIP-Aus has the capability to share data on the size and export limit of the inverter, which assists in flexible export management. Future versions of the CSIP-Aus should consider sharing data on inverter settings, to provide distributors visibility of all factors impacting the performance of the inverter when interacting with the network. This is another reason for the AEMC review to consider current and emerging CER standards holistically in providing recommendations for a compliance framework.

Please do not hesitate to contact me on sonja.lekovic@ausnetservices.com.au about the submission.

Sincerely,

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AusNet Services

[1] Energy Security Board, Interoperability Policy for Consultation, October 2022.