25 May 2023

Anna Collyer
Chair
Australian Energy Market Commission
60 Castlereagh St
Sydney NSW, 2000

By website upload via: www.aemc.gov.au

Dear Ms Collyer,

Re: Review of into consumer energy resources technical standards - EMO0045

Evoenergy welcomes the opportunity to provide a submission to the Australian Energy Market Commission's (AEMC's) Draft Report into consumer energy resources technical standards.

Evoenergy owns and operates the electricity distribution network in the Australian Capital Territory (ACT) and gas distribution networks in the ACT and the Queanbeyan–Palerang Regional Council and Shoalhaven City Council local government areas of New South Wales.

Evoenergy supports the review and its objectives to improve compliance with consumer energy resources (CER) technical standards. Improved compliance will facilitate greater penetration of CER in our network. This is something customers emphasised as being highly desirable in our recent consultation on our electricity distribution regulatory proposal for the upcoming 2024-29 period (EN24). Evoenergy recognises the criticality of renewable energy penetration into not only our network, but across the National Energy Market (NEM).

Whilst Evoenergy is supportive of the initiatives proposed in the recommendations, we do have some concern regarding the capability of Distribution Network Service Providers (DNSPs) to ensure compliance. Evoenergy supports draft recommendations 9-13 outlined in Stage 3, however, we do have concerns that benefits realisation from Stages 1 and 2 would be limited without firmer levers for DNSPs to use to ensure compliance and that the AEMC give consideration to bringing forward ammendments to the regulatory framework

Monitoring CER technical standards through smart meters

Evoenergy agrees with the AEMC's view that the accelerated deployment of smart meters with improved data access for DNSPs will support compliance monitoring for CER technical standards. However, the cost of procuring, storing, and analysing smart meter data to gain visibility of the low voltage network and enable compliance monitoring of CER technical standards is significant.

While the AEMC may consider the continued deployment of smart meters will allow real-time operational data to support DNSPs ongoing monitoring of compliance, this activity cannot be

undertaken without adequate capability uplift and expenditure allowances to deliver on outcomes. Therefore, a clear mechanism allowing efficient cost recovery must be in place to enable DNSPs to deliver increased analytical capability and monitoring of technical standards to detect non-compliant devices.

Current proposal to AER

Evoenergy's current regulatory proposal[1] includes a step change for operating expenditure associated with the integration of DER/CER into the network. The proposal outlines three enabling categories, including;

- network visibility (to improve existing functions),
- network operation (flexible access to DER/ two way flows), and
- enabling projects (proactively resolving network constraints).

Evoenergy's step change is shaped to give effect to customers preferences for the future of the network. Given the network is not currently optimised for two way flows, this identified expenditure will enable improved functionality, if approved by the Australian Energy Regulator (AER).

In assessing our proposal, the AER will only consider significant variations to the proposal, should there be a new regulatory requirement, or other material changes in circumstances. Evoenergy intends to revise its DER/CER integration step change to reflect updated information and changes to regulatory requirements.

Feedback on specific draft recommendations

Recommendation 5: Mandate CER technical standards training for SRES accreditation.

Evoenergy is supportive of this recommendation, however the Small-scale Renewable Energy (SRES) scheme will end and the value of Small-scale technology certificates (STCs) will decline over time. Thought should be given to how training and incentives can be incorporated long term, following the end of the scheme. Evoenergy regularly gets requests to install older non-compliant equipment from installers who believe this is acceptable if they don't get any STCs. There is a common misunderstanding from installers about rules only applying to SRES installations, which should be addressed in the training. Evoenergy does not approve the use of non-compliant equipment except in the case of warranty replacements.

Recommendation 8: Commissioning sheets for CER devices

The AEMC suggests (at 4.5.4) that draft Recommendation 8 'commissioning sheets for inverter devices' can be voluntarily implemented, as has occurred in Victoria (CitiPower, Powercor and United Energy) where customers would not receive a feed-in tariff without their inverter being deemed compliant. This does not prevent the generation of power and thus the risks to system

[1] Proposal | Australian Energy Regulator (aer.gov.au)

safety are not wholly mitigated. It is only relevant for new connections and does not cover ongoing compliance.

Currently Evoenergy only approves new inverters that are listed as compliant by the Clean Energy Council, with the check for compliant products done prior to the installation. Once installation is complete, the installer must submit a commissioning form which includes a photo of the inverter nameplate showing the model and serial number and declare that it is installed in line with the approval. There is no easy way for an installer to prove that the installation has been programmed correctly. Many inverters do not have screens and screenshots from online applications will not always have the serial number on the same page and can be easily edited digitally.

Adding extra information requirements to the commissioning forms will increase the likelihood that they are not completed. Currently, up to 15% of installations on our network occur without a completed commissioning form. Due to the volume of commissioning forms received, most are approved in bulk using automated validation checks. If DNSPs are required to verify compliance of inverters by manually checking every commissioning form, it will require significant additional resources, for little additional benefit. Evoenergy seeks further information about how DNSPs should verify the device has been properly configured and is therefore compliant.

For DNSPs to recover costs to ensure greater compliance with CER technical standards, they need to be part of a legislated jurisdictional scheme. It is unlikely a voluntary scheme such as is proposed, would meet the AER's requirements.

Recommendation 11: Defined Process for contacting consumers

Evoenergy does proactively contact consumers when issues are noticed with their CER installation, such as an unapproved installation or replacement. Where the installer is known, they are typically contacted first as they are more likely to be able to resolve the issue. Evoenergy regularly receives questions from consumers about CER compliance and has in place processes to respond and notify customers.

Legislative requirement/ Harder signals

Evoenergy is of the view that greater responsibility should be placed on installers and should be backed up by greater accreditation requirements and de-registration consequences. Additionally, penalties could be imposed for installers connecting solar whilst a non-compliant meter remains installed, or for failing to seek approval from the network prior to installation/ connection of a CER system. We understand that South Australia Power Networks has undertaken to deregister installers to send a further signal regarding compliance with industry

standards. For the ACT, this power could be an extension of the role of the Electrical Inspectorate.[2]

Evoenergy is generally supportive of the AEMC's draft recommendations. However, Evoenergy considers that networks currently do not have enough firm levers in place to deliver the full benefits outlined in the draft recommendations. The suite of voluntary measures proposed are encouraging steps towards ensuring better compliance with technical standards[3] which will allow more CER to be connected to the network. Evoenergy suggests the AEMC consider mandating actions for manufacturers and allowing firmer action to be taken for non-compliant installers.

Should you wish to further discuss matters raised in this submission, please contact Cameron Shields, at cameron.shields@actewagl.com.au.

Yours sincerely

Peter Billing
General Manager Evoenergy

[2] https://www.planning.act.gov.au/build-buy-renovate/for-industry/requirements-and-responsibilities/electrician-responsibilities#:~:text=The%20Electrical%20Inspectorate%20is%20responsible%20for%20inspecting%20all,Find%20out%20more%20about%20electrical%20inspections%20and%20certificates.
[3] Including AS 4777.2:2020.