



Part of Energy Queensland

25 May 2023

Ms Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
SYDNEY NSW 2000

Dear Ms Collyer

Review into consumer energy resources technical standards

Ergon Energy Corporation Limited (Ergon Energy) and Energex Limited (Energex), both distribution network service providers (DNSPs) operating in Queensland, welcome the opportunity to provide feedback to the Australian Energy Market Commission (AEMC) in response to its *Review into Consumer Energy Resources Technical Standards* (the review paper).

Ergon Energy and Energex are broadly supportive of the intent of the proposed framework and draft recommendations in the review paper. We consider that improving the Consumer Energy Resources (CER) technical standards is an essential step to ensuring compliance for CER devices, which in turn will allow customers to see greater benefits with a stable and reliable system. While we generally agree with the recommendations presented in the review paper, there are some aspects which we believe require further consideration which we have discussed below.

Ergon Energy and Energex agree with the intent of draft recommendations 1-3 listed in the review paper and believe they would improve compliance with CER technical standards. However, these draft recommendations will be voluntary. Without the ability to enforce these as mandatory requirements we are concerned that they will not result in a significant change from the status quo. In our view these could be adopted quickly and cost effectively by equipment manufacturers today however, we suggest older devices are examined to ensure they can meet these requirements. The fundamental issue is lack of culpability on manufacturers and/or installers and the limited ability to enforce compliance with the technical standards. Ergon Energy and Energex recognise that AEMC is limited in its ability to make these proposed rules mandatory. However, we would encourage continued discussion with relevant stakeholders to improve compliance outcomes.

Ergon Energy and Energex agree that providing training to installers would assist them in understanding their obligations and requirements when installing CER devices. However draft recommendation six (6) proposes that this training be funded by DNSPs or jurisdictions. We would recommend that further consideration into the funding of this training is undertaken. If DNSPs are required to fund this training, it would likely ultimately increase costs to all customers and there has been quantum estimated on what this could total. It would not be appropriate that customers without CER devices should fund the training and compliance costs for customers with CER devices who will be receiving the benefit of not only a correct and compliant installation but will also see reduction in their bills. We are concerned that we do not currently have the resources or expertise to



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provide this training and request that an alternative source is considered. Additionally, depending on how the training service would be classified it's not clear even if DNSPs could provide this service given the ring-fencing restrictions.

The review paper's draft recommendation eight (8) proposes the use of commissioning sheets to provide guidance for the successful installation of CER devices. Ergon Energy and Energex can see the potential benefit in implementing the sheets. However, we would recommend that a more in-depth review of their use in other jurisdictions is warranted. Further, Ergon Energy and Energex are also concerned that the commissioning sheets may result in increased costs which will therefore be passed onto customers. While sheets themselves may be low cost, we are unsure what the end cost would be when you consider the total cost of implementation, checking and reviewing data of the commissioning sheets and then furthermore the value beyond the day that they were completed (where subsequent a customer or separate installer could access the inverter and make subsequent undocumented changes). We would recommend further investigation on the potential costs of the commissioning sheets and what aspects have been successful in other jurisdictions, for example, the training and education rather than the commissioning sheets themselves.

Ergon Energy and Energex have some concerns with the practicality of draft recommendation 11 which proposes establishing a defined process for contacting consumers. The draft recommendation does not appear to have taken into consideration that the original CER device installers may no longer exist or have changed businesses. Additionally, the premises could have exchanged owners. Establishing a defined process for contacting customers will not overcome these issues and would require resourcing and technical skills to resolve these matters. We would recommend further investigation into this recommendation.

The review paper proposes progressing future regulatory reform of the national regulation of CER technical standards. While a national CER regulator would result in a consistent approach for compliance this will take significant time and a number of steps to achieve and support a CER technical standards regulatory framework. Ergon Energy and Energex suggest that an interim mechanism such as state-based compliance role may be required until a national body can be further considered.

Should the AEMC require additional information or wish to discuss any aspect of this submission, please contact me on 0429 394 855 or Tammara Scott on 0492 137 878.

Yours sincerely,

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