



Australian Energy Market Commission
Project reference code EMO0045.

By on-line submission: www.aemc.gov.au

2 June 2023

Subject: Review into consumer energy resources technical standards, Draft report, 27 April 2023

Thank you for the opportunity to provide feedback to the AEMC Draft Report “Review into consumer energy resources technical standards,” (the Draft Report).

This is a joint response on behalf of both Rheem Australia Pty Ltd (Rheem) and Combined Energy Technologies Pty Ltd (CET), as we have a complementary interest in the Draft Report due to the range of Consumer Energy Resource (CER) products we manufacture, import and distribute, and our involvement in a number of relevant Standards Australia technical committees including EL-054 and EL-062.

We support the AEMC’s headline findings on improving compliance with technical standards, which are listed as:

- Improved CER technical compliance is needed
- Non-compliance affects the grid and consumer outcomes
- Improving compliance benefits consumers

However, we are concerned that the draft recommendations are unlikely to address those findings in a meaningful way. We identified some broader issues in our submission to the previous Consultation paper in November 2022 that do not seem to have been considered. We believe that addressing these issues is critical to the successful long-term integration of CER. Most of these issues are well recognised, but the AEMC has limited its recommendation to addressing the short-term issues around inverter ride through settings in AS4777.2:2020.

These previous suggestions include the development of a nationally consistent approach to compliance, governance, and enforcement. To date compliance and enforcement of CER technical standards has been delegated to the DNSPs, by virtue of their connection agreements. The evidence would suggest that this approach has been inadequate in a number of areas. In particular there has been inconsistent interpretation and application of the technical standards across DNSPs.

We also suggested that the focus of the Draft Report should be evaluating the ability of the current framework to address the impending “future state” use cases. These use cases will



include Dynamic Operating Envelopes, Dynamic Export Limits, EV charger standards, cyber security standards, and device interoperability. Compliance with CSIP-AUS and behind the meter technical standards for interoperability would benefit from nationally consistent standards testing protocols and associated certification of compliance. When implemented, these technical standards will have an equally important impact on CER integration as the current AS4777.2:2020 issue.

There are also jurisdictional differences already appearing in the application of emergency solar management and dynamic export limits. These different standards significantly complicate the training of installers and can almost guarantee that non-compliance will occur. This is likely to be exacerbated as the complexity increases.

While we understand that the AEMC has identified that the existing interjurisdictional regulatory arrangements present some obstacles to addressing these issues, we believe that it is important to make recommendations to industry stakeholders as to how these obstacles could be addressed. One option could be the establishment of a national CER technical standards body.

Compliance with technical standards will be key to maximising the grid hosting capacity for PV and other CER. The AEMC would recognise that this would reduce energy costs for all consumers, not just the owners of CER.

I would ask that you consider these suggestions, and that any enquiries are directed in the first instance to myself. I will then co-ordinate follow up responses to your enquiries or further meetings with the appropriate personnel within our organisations.

Yours Sincerely



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