Standards Australia Limited
Exchange Centre, Level 10, 20 Bridge Street, Sydney NSW 2000
GPO Box 476, Sydney NSW 2001
Telephone +61 2 9237 6000, Facsimile +61 2 9237 6010
www.standards.org.au

29 September 2021

Andrew Swanson
Senior Adviser
Australian Energy Market Commission
Level 15/60 Castlereagh St
SYDNEY NSW 2000

Dear Mr Swanson

RE: The *Governance of distributed energy resources technical standards (DER) rule change* (ERC0319).

SA strongly supports rigorous DER technical standards as critical in maintaining security and reliability in the National Energy Market (NEM). The Distributed Energy Integration Program (DEIP) interoperability workstream program remains an effective governance arrangement for oversight of the DER technical standards included in the National Electricity Rules (NER).

When DEIP consulted with SA to promote the incorporation of interoperability objectives in the DER technical standards, SA was able to seamlessly develop and update the DER technical standards - AS 4772.2:2020 *Grid connection of energy systems via inverters, Part 2 Inverter requirement* using a well-recognised framework of stakeholder consultation, industry, and technical knowledge.

SA is a trusted partner of government, industry, and the Australian public, being Australia's peak standards development organisation with over 90 years' experience in developing standards, and underpinned by its formal recognition in the Memorandum of Understanding (MOU) between the Commonwealth and industry– see here. The development of standards for the net benefit of Australian communities, requires SA to have robust and rigorous frameworks and processes (see SA website), underpinned by the fundamental principles of balance, transparency, and consensus.

SA does not support new governance arrangements for DER in the NER

We consider the issues raised in the rule change request are already addressed through existing governance arrangements, underpinned by rigorous, transparent and time-sensitive SA technical standard setting processes. We provide evidence supporting our position in the Appendix. Based on this evidence, we conclude the rationale for the rule change proposal is not supported and there is no need to amend the NER.

SA supports DEIP as a fit for purpose body in the existing DER governance arrangement framework. SA works closely with the DIEP Interoperability Steering Committee (ISC) on the development of DER technical standards. We support its confirmation as the forum for advising and raising proposals for the development for DER technical standards, for SA to take forward, develop and deliver.

SA remains committed to supporting the decarbonisation of the Australian economy through rigorous, consensus-based, and internationally aligned technical standards. We are confident that through the current robust coordinated approach, the governance of DER technical standards can facilitate the steady uptake of DER technologies and meet the needs of a dynamic market.

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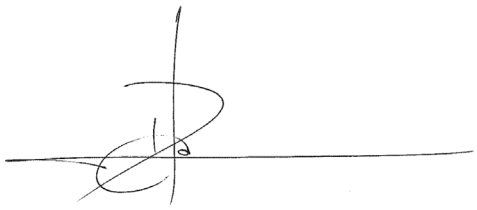
We welcome the opportunity to discuss this submission, please contact abbey.dorian@standards.org.au.



Yours sincerely

Adam Stingemore
General Manager Engagement & Communications

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Appendix

The DER technical standards are consistent across the NEM

The AEMC's *Technical standards for DER 25 February 2021 final rule* substantially addresses the proposed rule change solution to include DER technical standards in the NER. The AEMC included the Australian Standard AS 4772.2:2020 *Grid connection of energy systems via inverters, Part 2 Inverter requirements* in the NER and requires DER connections to comply with these arrangements. This final rule has the effect of requiring this standard to be mandatory and consistently applied across the NEM and recognises this standard may be amended from time to time through the existing governance arrangements.

While we note Victoria has different arrangements and does not apply Chapter 5A of the NER, AS4777.2 is referenced in Victorian legislation. This has the effect of making it a nationally consistent standard. It also means manufacturers will manufacture to this standard to be able to supply Australian homes and businesses.

If different DER standards are mandated in the NER it may conflict with State/Territory safety regulations – given the primacy of Australian Standards. For example, the AS4777 suite of DER standards are called up in *AS/NZS 3000:2018 Electrical installations (known as the Australian/New Zealand Wiring Rules)*. We understand the Wiring Rules are used in every Australian jurisdiction for electrical installation conformance.

The DER technical standards development process is as fast, flexible, and transparent as possible

A close alignment between the DEIP governance arrangement and the DER SA technical standards development process continues to remain crucial for security and reliability across the NEM. As demonstrated by the collaborative effort and expedient action of AS/NZS 4777.2, SA is well positioned to cooperate with DEIP on DER standard development projects which SA would proceed to develop via the proven technical committee structure.

SA's standard development methodology is underpinned by the robust international processes of the International Organisation for Standardization (ISO) and the International Electrotechnical Commission (IEC). The standard development process is fast, flexible, and transparent without compromising essential technical rigour.

SA is presently actioning a DEIP recommendation for an identical adoption of IEEE 2030.5 *Common Smart Inverter Profile (CSIP) with Australian amendments (CSIP-AUS)*. Once adopted and recognised as an Australian Standard, it provides additional guidance for assessing conformance with the DER technical standards in the NER. SA is also working on the development of an accompanying handbook based on the recently published *Common Smart Inverter Profile – Australia Implementation Guide*.[1] We expect the identical adoption and accompanying Handbook to be published shortly.

Amending the NER would be slower

The existing DER technical standards may be revised and amended periodically to meet evolving sector needs as envisaged by the AEMC in its *Technical standards for DER 25 February 2021 final*

[1] common-smart-inverter-profile-australia.pdf (arena.gov.au) Common Smart Inverter Profile – Australia

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rule. We consider that using the existing DEIP governance and SA standards setting process will be faster than amendments to the NER that typically take a minimum of six months.

Accordingly, developing and implementing a new governance and DER technical standards setting process in the NER would be much longer and counter to the fast, flexible objective stated as the reason for this rule change.

A balanced and representative committee with transparent membership requirements

SA's technical committees reflect a balance of industry expertise and stakeholder representation. They are reviewed regularly to ensure this balance is maintained, which ensures contribution to standards development projects is always to the net benefit of Australian communities. SA invites expressions of interest from industry experts and stakeholders to participate on technical committees.

The EL-062 *Smart Energy* technical committee responsible for overseeing standardisation for DER is comprised of consumer interests, manufacturers' associations, professional associations, regulators, suppliers' associations, and user and purchasing bodies.

Importantly, the technical committee also liaises with other SA technical committees including *EL-001 Wiring Rules* and *EL-064 Decentralised electric energy and grid integration of renewable energy systems* to ensure standard development projects are technically aligned and coherent for users.

The development of Australian Standards is best led by technical experts in a technical committee structure. With an active group of technical experts already contributing to standards development in this field, SA can rapidly progress the necessary technical guidance for DER technical standards.

Consultation and consensus standards setting

SA adopts a transparent approach to developing Australian Standards, based on the discussions and review by all committee members, and broad public comment. Project proposals for standards development projects are subject to a 2–3-week minimum consultation period and are publicly available to facilitate broad stakeholder endorsement and feedback. Upon completion of final draft standards, these are open for public comment for a 9-week period. SA is open to flexibility on the period of consultation for proposals for DER technical standards.

Our consensus model ensures all views are adequately considered and mediated through the standard development process, with a view to wide implementation and adoption. The consensus model has proven to meet the emerging needs of a decentralised network while reflecting the needs of parties operating in the NEM.