

7 October 2021

Andrew Swanson
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Dear Andrew

RE Governance of distributed energy resources technical standards (ERC0319)

TasNetworks appreciates the opportunity to make a submission to the Australian Energy Market Commission (**AEMC**) regarding the rule change proposal put forward by the Chair of the Energy Security Board to enshrine technical standards for distribution connected distributed energy resources (**DER**) in the National Electricity Rules (**NER**) and make the Australian Energy Market Commission (**AEMC**) responsible for the setting those standards. We note that Energy Networks Australia (**ENA**) has also prepared a submission to the AEMC in relation to this proposal and TasNetworks endorses the comments made by the ENA.

The distributed and intermittent nature of household solar PV generation presents a number of technical challenges for the Australian Electricity Market Operator, for distribution network operators and for customers, particularly in relation to the regulation of voltage and frequency. With the growth in the uptake of solar photovoltaic generation, battery storage and other DER only likely to continue, it is important that the interaction of the technology deployed by customers behind their meters maximises the potential benefits of DER for all customers, while avoiding adverse impacts on network performance, reliability and costs.

TasNetworks considers that the AEMC's recent changes to the NER which will, from 18 December 2021, introduce minimum inverter standards for micro embedded generation units through a reference in the NER to Australian Standard 4777.2, are a positive step towards unlocking the benefits of DER while avoiding some of the potential pitfalls. We are also of the view that the collaborative process led by Standards Australia in revising that standard in 2020 was very successful in taking into account the views of an appropriate range of stakeholders and yielded a contemporary, pragmatic standard that strikes a balance between the needs of customers, DER original equipment manufacturers and networks.

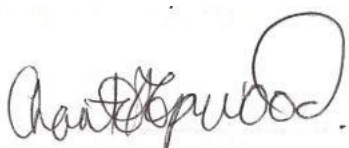
TasNetworks is not convinced that the current process for the development of the technical standards applying to DER is sufficiently flawed to warrant the introduction of the suite governance arrangements being proposed by the Chair of the Energy Security Board. We are also of the view that embedding a reference within the NER to an appropriate technical standard is a preferable approach than enshrining the technical standards themselves within the NER, and that Standards Australia remains best placed to undertake the actual work of standards development.

To the extent that the current process for standards development by Standards Australia may be regarded by some as lacking transparency when compared with the AEMC's stakeholder consultation process, or lacking clarity in its objectives, we concur with the ENA that having an agreed timetable for the periodic and systematic review of DER technical standards, as well as over-arching objectives to guide the interaction of those standards with network regulation and energy policy, would provide the certainty that many stakeholders are looking for. TasNetworks supports the ENA position that an advisory committee, similar to the AEMC's Reliability Panel in terms of its constitution and mode of operation, could be well placed to provide that direction.

While the AEMC currently does not have a responsibility to monitor the ongoing evolution of DER technical standards to ensure they are meeting NEM policy objectives, the creation of a DER technical standards committee along the lines advocated by the ENA would align well with the AEMC's existing remit. Further, having Standards Australia continue to be responsible for the revision of DER technical standards (or creation of new standards) is likely to have efficiency benefits because of Standards Australia's ability to leverage its existing processes, expertise and resources. It would also avoid any risks of duplication or divergence that might be associated with another body, such as the AEMC, being made responsible for setting DER technical standards.

This is a complex issue and we acknowledge that the rule change proposal from the Chair of the ESB raises many issues that require detailed investigation. Once again, thank you for the opportunity to respond to the AEMC's Governance of distributed energy resources technical standards consultation paper. To discuss the views expressed in this letter, please contact William Godwin, Revenue and Economic Regulation Team Leader, on 0419 556 796 or at William.Godwin@TasNetworks.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chantal Hopwood', with a large loop at the end.

Chantal Hopwood
Leader Regulation