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Distributed energy resources integration - updating regulatory arrangements

Jemena Electricity Networks (Vic) Ltd (**JEN**) would like to thank the Australian Energy Market Commission's (**AEMC**) for providing us with an opportunity to provide feedback on the consultation on updating the regulatory arrangements for integration of distributional energy resources (**DER**) (**Rule Change**).

The interest in Distributed Energy Resources across Australia over the past few years has grown dramatically. This growth is spurned by favourable Government policies, a push by customers to take their energy needs into their own hands and a drive to move towards greater renewable generation. This phenomenon presents many challenges to JEN—and other distribution businesses—who must manage the integration of DER without compromising the operations and reliability, and also manage the economic and equity impacts to our customers. Despite the challenges, we have been responding to growing customer and community expectations to provide grid export services to enable the integration of DER into the National Electricity Market (**NEM**).

Now, and in the near term, we are faced with a growing need to constrain the integration of photovoltaic generation into an increasingly saturated operating envelope. In taking these steps, JEN is attempting to manage the operations of the distribution network economically and efficiently and within the current regulatory framework.

Through our People's Panel,[1] we heard loud and clear that there is a benefit to having more renewable generation supplying electricity in the NEM; in their words "greening the grid". Our People's Panel also told us that, even if some customers do not have photovoltaic generation, they saw value in allowing others being able to connect more renewable generation. We have responded to this call and developed a *Future Grid*[2] strategy, that seeks to invest in our electricity distribution network to enable more renewable generation through efficient management and investments.

1 https://yourgrid.jemena.com.au/52295/documents/128841
2 https://yourgrid.jemena.com.au/52295/documents/128821

The reforms outlined in the Rule Change will contribute towards greater investment certainty—for distribution businesses and DER owners alike— helping us realise the full potential of our *Future Grid* strategy, and unlock the benefits that come with DER.

In the remainder of this letter, we provide feedback on these initiatives, we also respond to the questions raised by the AEMC in their consultation paper. If the AEMC has any questions concerning the matters raised in this submission, then please contact Matthew Serpell at matthew.serpell@jemena.com.au.

Yours sincerely

[signed]

Usman Saadat
General Manager, Regulation

AEMC questions	Jemena Response
QUESTION 1: APPROACH TO RULE CHANGE ASSESSMENT	
1. Is the assessment framework, specifically the criteria outlined above, appropriate for considering the proposed rule changes?	The proposed assessment framework takes into account the relevant aspects of the AEMC's mandate—namely the National Electricity Objective—and the framework in which it operates. This framing is consistent with the approach to assessing all rule changes and is therefore appropriate for the consideration of the proposed rule changes.
2. Are there any other relevant considerations that should be included in the assessment framework?	There are several other considerations that should be considered in assessing the rule change: • In some cases, the rule change indicates issues where there may not in fact be any concerns. We urge the AEMC to take into account the feedback to this rule change process and make its own inquiries to identify whether there is really a problem. • In some cases, the issues raised can be managed through modifications of existing guidelines and schemes, rather than National Electricity Rule (**NER**) changes. For example, changes to the Service Target Performance Incentive Scheme (**STPIS**) to address incentives—which have been raised in the issues paper—rather than changing the NER. Where possible, we consider this approach to be preferable and minimising NER changes. • Jurisdictional policies, rules and laws impact the way DER integration is implemented. We consider these issues should be addressed—or at least, any NER changes allow for overlapping operation of jurisdiction instruments (We note this, for example, in our response to the definition of retail customers). • We consider there are two critical elements to this rule change, (i) clarifying whether DNSPs should integrate DER services and if so how, and (ii) who should pay for these services. The latter point primarily comes down to the question of equity; managing the costs and expectations of those who invest in DER, and those who benefit. We consider that the issue of equity should be a prominent feature in the AEMC's consideration when assessing the proposed rule change. • We consider the issue of sovereign investment should be a factor in the rule change considerations. Rules should be prospective to promote efficient investment and therefore, better able to achieve the National Electricity Objective.

AEMC questions	Jemena Response
QUESTION 2: DEFINITIONAL ISSUES	
1. Should export services be recognised as part of the network services provided by DNSPs to customers?	Yes, to be clear, *export services* should be defined as a service and should be explicitly distinguished from generation or storage services.
2. Are the proposed definition changes necessary and appropriate to enable export services to be recognised as part of the services provided by DNSPs to customers?	Although the AER is considering "DER strategies" in its price reset decisions for distribution network service providers (see, for example, South Australian Power Networks 2020-25 Final Decision), there has been some debate around whether the necessary expenditure falls within the scope of services on which the AER makes its decisions. In our customer engagement process we undertook for developing our 2021-26 regulatory proposal, our customers told us they "had a strong preference for 'green', sustainable and community-based solutions".[3] Recognising the overarching National Electricity Objective is to consider the long term interests of our customers, and that our customers told us they seek efficient investment to facilitate access of renewable energy to markets, we consider amendments should be made to facilitate and clarify that we can and should meet our customers' expectations. Clarity also aides investment certainty for network businesses and DER proponents alike, which brings more efficient outcomes for customers.
3. Are there any unintended consequences that could arise from SAPN's proposed amendments to definitions?	To the extent consultation and collaboration seeks to identify issues, the unintended consequences should be minimised.
4. Are there more appropriate approaches to enable export services to be recognised under the framework that is not considered above?	We consider that the regime for exports should align to that provided for import services, that is, an open-access regime. This removes any confusion that might arise if different approaches are adopted for each of import and export services; in particular, preferencing one service over another.

[3] JEN, *2021-26 Electricity Distribution Price Review, Regulatory Proposal, Attachment 02-01, Our customer, stakeholder and community engagement*, January 2020, Pg. 29.

AEMC questions	Jemena Response
5. Are there any other issues related to definitions that the Commission should consider?	With respect to definitions within the NER, we note the following: • **Distribution Service** – We do not consider the definition of distribution services in the NER precludes "export services" from being provided by distribution businesses. Having said that, a simple modification for *explicitly* noting import and export services would clarify the interpretation and avoid different positions being taken by different stakeholders. • **Retail Customer** – We agree with the position put forward by some of the rule change proponents that the Retail Customer definition indicates a one-way flow of electricity. To provide further certainty for enabling DER integration, this term should be amended to reflect the export aspect of the services provided by DNSPs. If the AEMC is minded to adopt this change, then we also note that the National Electricity Law (**NEL**), National Energy Retail Law (**NERL**) and National Energy Retail Rules (**NERR**) will also need to be amended to capture this change in definition. We note that the NER (chapter 10) defines Retail Customer as a *Small Customer* or a *Large Customer* and that in regards to Small Customers, the definition comes from the NERL for participating jurisdictions, or under the *jurisdictional electricity legislation* for non-participating jurisdictions. Given Victoria does not—in effect—participate in the NERL, we need to consider the definition of *Small Customer* taken from Victorian instruments. We outline the definition of Small Customer in Victorian instruments in Appendix A of this submission. The definition of *Small Customer* in Victoria has the same issues as that in the national instruments, in that it references electricity consumption as a part of its meaning. Given this, and similar to our recommendation on the national instruments, we consider the Victorian instruments also require modification of this definition to give clarity on the bi-directional nature of energy flow with the greater increase of DER. Related to the definition of Retail Customers, we note that some proponents advocate the introduction of a new term "Prosumer". We do not believe this is a necessary step to bring about the better integration of DER, in fact, it could have unindented consequences because of the pervasive number of amendments to the NEL and NER to introduce the new class of market participant. A modification to the Retail Customer term is all that is needed.

AEMC questions	Jemena Response
	Additionally, similar consideration of the definitional issues of *Large Customer* should also be taken into account. • **Network** – We agree that the definition of a *Network* should be amended, with a simple modification of dropping "to customers" from the section that states "the conveyance of electricity to customers". This simple modification will also remove the inconsistency between "customers" and "retail customers". • **Pricing principles** – We consider the pricing principles are not constrained to grid imports only, and therefore, no amendments are required. However, clarification can be made to improve and enable the charging of grid export services; we elaborate on this in our response to question below on the removal of section 6.1.4 from the NER. We do not consider new definitions for grid-imports or grid-exports are required in the NER. Instead, these services can be catered for in the explanation of distribution services, and potentially in the AER's service classification guideline.
QUESTION 3: PROPOSED CHANGES TO DEFINITIONS	
1. Are the proposed approaches to the classification of export services necessary and appropriate?	As noted above, we consider that only the definitions of *network* and *retail customer* need to be amended to give effect to the proposed reforms and that a change to the definition of *distribution service* is only for a point of clarification.
2. Are there more appropriate approaches to enable DNSP expenditure on export services to be economically regulated that are not discussed above?	As noted above, with minimal changes to the regulatory framework, the AER can be clear on whether grid export services form part of the service offering by DNSPs and therefore allow for the expenditure in a price reset decision.
3. Are there any other issues related to service classification that the Commission should consider?	Issues of service classification have been dealt with through the introduction on section 6.2.3A of the NER, which requires the AER to develop a *Service Classification Guideline*. Aside from the minor modification to the *Distribution Services* term noted above to give clarify on services, the classification of services can be managed through the price reset process.

AEMC questions	Jemena Response
QUESTION 4: OBLIGATIONS ON DNSPS	
1. Should the NER be amended to impose obligations on DNSPs to provide export services as proposed?	We consider the above-noted definition change—and in combination with the incentive arrangements (noted below) give sufficient clarity around the provision of export services; this approach is consistent with the obligations (under an open-access regime) for the provision of import services. The provision of export services is a community expectation and policy positions of state and federal Governments, and therefore, there is sufficient impetus and rules to ensure DNSPs explicitly allow connection to facilitate the export of electricity to the grid. The alternative—to create an obligation for the provision for export services—provides a higher degree of firmness than is presently the case for import services. This approach does not make intuitive sense, given the primary function of the shared electricity network is to provide import services. Further, as a matter of principle, export services should not be elevated to a higher level of certainty or reliability over import services.
2. Would it be appropriate to impose obligations on DNSPs to consider network planning solutions in relation to DER integration? a. Is there a need for the introduction of specific arrangements to guide network planning and investment decisions around additional DER hosting capacity? b. Do you consider that a net market benefit test is a useful way to guide DNSP	There are already several mechanisms for planning and reporting of energy flows and DER integration: • DNSPs already plan for bi-directional flows of electricity in their Distribution Annual Planning Report (**DAPR**) and Transmission Connection Planning Report[4] requirements. Any further obligations on reporting are not only unnecessary; they are duplicative. The requirement for managing and planning for the "flows" of electricity is inherently incorporated into the *network* definition, which requires us to consider the "conveyance" of electricity. • Further, DNSPs publish constraint maps through Energy Networks Australia's opportunity maps[5] to assist customers, and DER proponents invest in generation sources in locations that allow them to maximise their access to energy markets. • In Victoria, our licence obligations and Distribution Code require quality of supply[6] and reliability,[7] irrespective of flow direction. • Financial penalties that exist through STPIS and Guaranteed Service Level (GSL) obligations give sufficient incentive to ensure supply; again, irrespective of the direction of flow of electricity.

4 Essential Service Commission of Victoria, *Electricity Distribution Code*, April 2020, Section 3.4.

5 https://energyna.chrstg.com/news/energy-insider/network-opportunity-maps-helping-to-build-the-distributed-energy-resources-market/

6 Essential Service Commission of Victoria, *Electricity Distribution Code*, April 2020, Section 4.

7 Essential Service Commission of Victoria, *Electricity Distribution Code*, April 2020, Section 5.

AEMC questions	Jemena Response
network planning and investment for export services?	In short, there are sufficient requirements and incentives in the existing regulatory framework and Government policies. Even more relevantly, our response to customer and community expectations around facilitating grid exports requires us to plan. *Valuing benefits of grid export services* There are many benefits from grid exports, including reduced greenhouse emissions; however, valuing this is inherently difficult and subject to Government policies—which vary from time to time. We have considered a range of benefits in our future grid strategy[8] and conclude the predominant benefits of grid exports is market benefits. Valuing grid export services should take into account market benefits rather than network impacts. Network impacts—which may be a net increase in costs where available hosting capacity is depleted *or* a net decrease where augmentation can be avoided—are inherently captured in the price reset process and / or through mechanisms within a regulatory control period, for example, through the cost pass-through arrangements (NER 6.6.1). To determine market benefits, we consider the Essential Service Commission of Victoria (**ESCV**) feed-in tariff as the best proxy of market benefits. We adopt this value in our future grid proposal due to the independence of the calculations. This view is based on the observations in the market today, and therefore should be considered a starting point for assessment. As time goes by, new information will come to hand, and this will shape future views of DER and its value, and therefore, the regulatory framework should be sufficiently flexible to allow different valuations methods where there is a robust reason for change.
3. Should a principle for the allocation of export capacity in the NER be introduced? If so, what principle should be included?	The ability to connect DER in a particular location changes over time. Moreover, the timing can be influenced by other DER proponents deciding to connect their DER in that same location. Within this context, there are three scenarios in which hosting capacity can be taken up or becomes available to new DER proponents: • **Existing allocated capacity** – For these types of connections, grandfathering provisions should apply. Investments are made in the context of the underlying frameworks at a point in time; this includes the

[8] JEN, *2021-26 Electricity Distribution Price Review, Regulatory Proposal, Attachment 05-04, Future Grid investment proposal*, Section 2.1.

AEMC questions	Jemena Response
	rules and laws of the day. Based on this, we consider *grandfathering* of existing investments and therefore, the grandfathering of existing allocated capacity, is required to maintain investor confidence. The absence of grandfathering creates retrospective changes to investment decisions, which puts individual investors at risk. • **Existing free capacity** – We consider this should be allocated on a first-come, first-serve basis; to reserve hosting capacity for future requests that may never arise, could result in locking up economic benefits or inefficient investment. If appropriately priced (see below) the direct and indirect beneficiaries will realise the economic benefits as soon as possible. • **New capacity** – Should only be created when needed. Creating capacity in case customer want it at a future date could be inefficient because the capacity may never be used. Allocating hosting capacity implies some sort of sharing, but reserving prevents unlocking benefits. In essence, the principles should focus on realising the benefits as soon as possible so as not to over-invest in the network. We do not consider a minimum reserve and retrospective change are efficient. However, through normal planning processes, capacity will be created in the location and the time required efficiently.
QUESTION 5: EFFICIENCY INCENTIVES	
1. If 'distribution services' expressly include export services, are there any regulatory barriers to adapting existing incentive schemes to export services?	Existing incentives balance opex / capex / service standards. These are sufficiently structured for import and export services when considered in the context of the above-noted interpretation of distribution services and other definition changes because distribution services could be interpreted to incorporate import and export services. That is, arguably, these incentives are already in place for export services. There is no need to change to STPIS for export services; the use of one connection for both import and export services—and using the measures SAIDI, SAIFI, and MAFI (which are flow direction agnostic)—already captures the performance of export services. That is, these measures cannot and do not differentiate the performance of import and export services.
2. Should the STPIS be extended to export services or is a new incentive scheme required?	It is the most likely candidate for service level performance if changes are to be made. However, as noted above, we consider those incentives are already captured in the incentive scheme. Capex and Opex incentives should be included in a price reset determination.

AEMC questions	Jemena Response
3. If the STPIS or a new incentive scheme is to apply to export services: a. What are the practical challenges of designing relevant performance measures and collecting robust data? Can these challenges be overcome over time? b. Should the details of the scheme be prescribed in the NER or is it appropriate for the AER to design the scheme? c. Are there any additional factors the AER should be required to take into account (eg, under NER clause 6.6.2 relating to the STPIS)? d. Do export service standards (to meet customer expectations) need to be established to set a performance 'base-line' for the incentive scheme?	If changes were made to the STPIS scheme, we note the following: (a) there are several challenges to establishing a new incentive scheme: **Data collection** – to set an incentive, it is necessary to have data on which to base a reward or penalty. From a network perspective, the best candidate for setting a grid-export related incentive is voltage data, although this incentive is also relevant for grid imports, but to a lesser extent. Collecting voltage data is inherently difficult; the best source of this information is from the electricity meter. In Victoria, the data can be collected from AMI meters. However, in other jurisdictions where metering competition exists, the data will have to be (i) acquired by the DNSP from the meter data provider, (ii) an obligation will need to be placed on the meter data provider to provide the data mandatorily, or (iii) new devices will need to be installed in the field. There is also the issue of data quality and data validation. Similar to the other STPIS parameters, this data should be audited each year. Other measures may include inverter trips; however, collection of behind the meter data is more difficult. - **Setting a baseline** – it is first necessary to collect data to set a baseline on which to determine performance levels. Similar to the introduction of the MAIFIe amendments in the STPIS scheme (v2), the scheme itself allows the continuation of MAIFI where the relevant baseline data was not available. - **Rate of change** – setting a baseline based on historical data is particularly relevant when the rate of change in circumstance is relatively stable, or within a regular cycle of growth. However, when the rate of change is above normal levels, a trend factor arises, which means that if the trend is not accounted for, then the performance—based on historical averages—is misleading and could result in an incorrect performance reward or penalty. This issue needs to be accounted for in the incentive scheme. In the present circumstances, with the support of Government policy, a trend is created, and this inherently causes distortions that, as noted above, must be taken into account when setting an incentive scheme.

AEMC questions	Jemena Response
	(b) the scheme, if adopted, should be incorporated into the STPIS mechanism, not the NER. However, the NER could be amended to require the AER to amend the STPIS to reflect the intended incentives for grid exports. (c) all issues are noted above. (d) the base-line should be set from the historical data, and therefore, the inherent hosting capacity of the network and the investment required to continue to provide hosting capacity.
QUESTION 6: PRICING ARRANGEMENTS	
1. Should DNSPs have the option to propose to the AER charges for export services?	The regulatory framework should have the flexibility to charge for grid export services. With this framework, DNSPs will consult with customers and other stakeholders—including the jurisdictions—to seek their views on whether DNSPs should charge for grid export services.
2. What are the potential benefits and costs of enabling export charges?	<u>Benefits</u> Charging for export services would remove the cross-subsidy inherent in the current arrangements, as long as the network tariffs were appropriately priced. <u>Costs</u> It would be a requirement that meters capture the "B" data stream to enable the measurement of grid exports; it would be mandatory for DER proponents to have this type of meter in place. The costs of these meters are already captured in jurisdiction arrangements (Vic) or through metering completion (all other NEM jurisdictions). Some modifications to billing systems would be required; however, these are not expected to be significant.
3. If customers can already negotiate 'deeper' connection agreements, is a 'supplementary' connection arrangement required to allocate DER-related costs – as proposed by TEC/ACOSS?	In its service classification guideline,[9] the AER has identified a service "Enhanced connection services", which can be used to charge for export services where it is not economic or technically feasible to provide (depending on jurisdictional requirements). The guideline sufficiently accounts for these circumstances. Similarly, DNSPs already have model standing offers and other embedded generator connection agreements available to facilitate the connection of micro-embedded generation and other large-scale generation.

9 AER, *Electricity Distribution Service Classification Guideline*, September 2018.

AEMC questions	Jemena Response
	Finally, section seven of the AER's connection guideline[10] outlines the requirements for connecting large embedded generators. We consider there are sufficient obligations and requirements in place—as well as an ability to charge for a "non-economic generation"—to connect embedded generation and therefore, there is no need to create an additional supplementary agreement. If the Rule Change proponents identify a deficiency in these existing arrangements, then those guidelines and other arrangements should be addressed rather than making changes through the NER; the AER has the powers to consult on and make the necessary arrangements, and the proponents should engage the AER on this approach.
4. If NER clause 6.1.4 is removed, and DNSPs are able to develop tariffs for export services: a. What are the implementation issues? b. Should the existing tariff structure statement process and pricing principles apply? For example, is a principle required to guide DNSP decisions on cost allocation between consumption and export services – as proposed by SAPN?	There is a possibility that removing barriers to export pricing will not alone result in any meaningful change. If the AEMC identifies benefits associated with having export pricing as opposed to not preventing them, then the AEMC should consider the lost opportunity associated with "kicking the can down the road" via TSS processes that DEIP have recognised as slow and not delivering for customers. The TSS process can be costly and time-consuming for DNSPs, AER, customer advocates, customers, retailers and other market participants and still potentially result in minimal change—the Victorian tariff evolution over the last two regulatory periods being a prime example. Similarly, export pricing provides the potential for winner and loser debates to lead to practical inertia as it has happened in Victoria for consumption tariffs. To obtain meaningful change, the AEMC should consider what common areas can be resolved by engagement processes now (and fit in the Rules) or via an AER guideline process, and therefore taken out of future individual TSS consultation processes. This could also lead to benefits associated with alignment for customer communications and simplicity for retailers. Practically, the AEMC could consider whether there is room in the Rules or for an AER guideline to include: • A common approach to calculating export LRMC • How the LRMC should be used to set export prices • A common export charge structure (albeit potentially different peak periods) • A common framework for applying locational differentiation and applying transitions.

[10] AER, *Connection charge guidelines for electricity retail customers Under chapter 5A of the National Electricity Rules, Version 1.0,* June 2012.

AEMC questions	Jemena Response
c. Are transitional or 'grandfathering' arrangements needed and, if so, should they be prescribed in the NER?	The AEMC should consider what the advantages of having flexibility in these areas versus the benefits of common approaches agreed and adopted sooner are. Should export pricing be enabled/introduced, then the ability for transitional arrangements would be essential for DNSPs to have a better chance to garner customer support. We do not see any need to grandfather arrangements for pricing purposes, but if anything is grandfathered, it should be time-limited.
5. Should the regulatory framework better recognise the benefits DER services provide to DNSPs? For example, does SAPN's proposal to allow for negative prices address the issue?	If implemented efficiently, DER has benefits to the distribution network, *DER proponents* and the *shared customers*. The recognition of these benefits in effect is the allocation of benefits to one or more of those beneficiaries. In short, with the distribution network reflecting the broader customer base, the sharing of benefits is left to be decided between the *DER proponents* and the *broader customer base*. Processing benefits has two issues, the first issue is measuring the benefits, and the second is to apportion them between the two groups. In the current context, the benefits are: (1) the avoided costs when compared to a counterfactual case of not having DER; *and* (2) the avoided cost of not connecting DER or constraining off. This occurs when the cost to connect DER is more costly than the benefits it provides. In both of these cases, the framework should be flexible enough to allow the cost signal to flow to both the *DER proponent* and *shared customers*. Potential mechanisms for cost signalling include: • Network tariffs, including negatively priced tariffs. • Direct payments from distribution businesses in the form of rebates for the value of avoided costs – akin to demand management type payments • GSL payments to DER proponents – usually when experiencing high degrees of being constrained off. Each of these options should be permissible under the framework, and the choice of mechanism should be decided by the distribution business; in consultation with its customers It should be noted that each option has differing benefits, as noted in the table below.

<table>
<tr><th>AEMC questions</th><th>Jemena Response</th></tr>
<tr><td></td><td>
<table>
<tr><th></th><th>Network tariffs</th><th>Rebate</th><th>GSL</th></tr>
<tr><td>Simplicity</td><td>Set universal price signals each year as a part of the price setting process</td><td>Complex and difficult, using dynamic load models.</td><td>Relatively simple, based on a known set of rules up front.</td></tr>
<tr><td>Targeted / network signal strength</td><td>Low targeting due to averaging in network tariffs and retail tariff smoothing*</td><td>Highly targeted, signals to a specific location</td><td>Highly targeted, signals to a specific location</td></tr>
<tr><td>Administration</td><td>Relatively simple with annual model process and universal application across the customer group.</td><td>Costly, due to individual account management and rebate transaction costs</td><td>Relatively simple as GSLs are already processed through the system.</td></tr>
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* It is possible that retail tariff smoothing could counter the network price signalling and therefore cause increase network investment rather than decreased investment, which is counter to the objectives of realising benefits from DER.
</td></tr>
<tr><td>6. Should these reforms only apply to small customers?</td><td>Rather than applying to small and large customers, the criteria should be based on whether the type of grid exports are ancillary to the primary purpose of grid imports.

If a generator (registered, scheduled, etc.), or the exporting is not-ancillary, then the requirement for export capacity should defiantly fall within the incremental investment category noted at question 3 above. This approach means that shared customers would not underwrite a business case of an investor in network generation.</td></tr>
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Appendix A – The definition of small customer in Victorian

The definition of small customer in Victorian is considered in two jurisdictional instruments:

1. The Victorian Essential Service Commission's (ESC) Energy Retail Code Ver 16, 1 July 2020.

small customer means:

(a) a *domestic or small business customer* under section 3 of the *Electricity Industry Act* or section 3 of the *Gas Industry Act*; and

(a) a person:

(i) who purchases electricity from an *exempt person* principally for personal, household or domestic use; or

(ii) whose aggregate consumption of electricity purchased from an *exempt person* has not been, or is not likely to be, more than 40 megawatt hours in any calendar year;

Note:

Under the *Electricity Industry Act* and the *Gas Industry Act*, the term' *domestic and small business customer*' is defined by Orders in Council. As at the date of this Code the relevant Orders define a *domestic or small business customer* as (paraphrasing):

(a) a person who purchases energy principally for personal, household or domestic use at the relevant supply point; or

(b) in the case of electricity, a person whose aggregate consumption of electricity taken from the relevant supply point has not been, or in the case of a new supply point, is not likely to be, more than 40MWh per year; or

(c) in the case of gas, a person whose aggregate consumption of gas taken from the relevant supply point has not been, or, in the case of a new supply point, is not likely to be, more than 1000 GJ per year.

2. The Victorian Order in Council – Victorian Government Gazette, No. S346, 12 October 2017

small customer means a *retail customer* with an annual volume consumption of electricity of less than 160 MWh.