



17/02/2020

Ref: EMO0038  
Rupert Doney  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Dear Rupert,

**Draft Report: Updating the regulatory frameworks for Distributor-led Stand-Alone Power Systems**

Mondo welcomes the opportunity to respond to the draft report on updating the regulatory frameworks for Distributor led Stand-Alone Power Systems (SAPS). We strongly support a regulatory framework that recognises the value of distributed energy resources in providing remote customers with robust, reliable power supply.

Mondo provides a variety of contracted transmission and distribution services, including grid connections for new generators, battery energy storage systems and aggregation of distributed energy resources.

Mondo has provided specific comment below on three areas we believe the Commission could further clarify or refine in its final report.

**Customer**

SAPS are characterised by energy assets located at the customer's premises and a cost-to-serve closely correlated to the customer's energy use profile.

To date, there has been limited discussion of how the relationships in the SAPS service delivery model are intended to work for customers in practice. This uncertainty in the relationships between distributor, generation service provider and retailer has the potential to create confusion and barriers for all parties involved, most importantly the customer.

Taking a basic practical example, if a SAPS generation service provider is responsible for maintenance or fault and emergency response, they will need to access the SAPS physically located on the customer's property and engage with the customer to ascertain the behaviour of the system and potential issues. How might the provider contact the customer to notify them of the need to access the SAPS? Would privacy obligations create barriers to the customer navigating the service delivery model? Is the generation service provider able to maintain contact details for the customer to work with them on 'right sizing' a SAPS system (post deployment)?

These, and related, practical questions are worth reviewing to avoid the creation of unintended barriers or tensions within the service delivery model. This is particularly important when we consider that the energy retailer, the primary customer facing party within this model, has little visibility of the challenges involved in the delivery of the SAPS service.

**Bright future.**

## **Innovation**

Mondo has a strong focus on engaging with customers on their energy goals (see “[Not just powering communities, empowering them](#)”). Minimising artificial barriers to customers engaging with service providers and allowing customers to choose the energy delivery model that works with their individual needs is important.

For example, the types of appliances and home a customer has, and how they use them, directly inform the size and characteristics of the SAPS system required (that is, inverter capacity, number of PV panels, short-term overloading capability, motor-start capability, size of backup generator and fuel storage). This, in turn, defines the end cost of the SAPS service for that customer.

Mondo sees opportunities to provide customers with integrated energy supply choices, to maximise value both for the individual customer and the broader community. Examples include:

- Replacing a customer’s old appliances with new energy efficient appliances to reduce the amount of battery storage required.
- Offering a Home Energy Management System to enable the main energy consuming devices within the home (hot water, heating and cooling) to take advantage of daytime PV output
- Switching from electric to solar hot water to reduce electricity demand
- Improving the home insulation to enable pre-cooling of the home during the day, significantly reducing the demand for battery storage.

We would welcome the Commission and Government considering how opt-in choices can be paired with this service delivery model to maximise value for the customer and their communities.

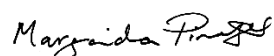
## **Efficiency**

Mondo believes that providing the customer the ability to innovate with their service provider maximises the opportunity for the SAPS regulatory model to deliver on the NEO.

We would welcome the Commission establishing a forward plan for monitoring the practical issues that may arise during the initial period of implementation. This will provide specific feedback on the performance of the SAPS service delivery model, and provide guidance on future changes that can be implemented to improve this model for the future.

Please feel free to contact Adam White, our Network Lead (adam.white@mondo.com.au or 03 9695 6423), if you have any questions in relation to this submission.

Yours sincerely,



Margarida Pimentel

## **Manager Policy and Aggregation Services**