

23 July 2020

Alex Oeser
Senior Advisor
Australian Energy Market Commission

Submitted online

Dear Mr Oeser,



Submission to Technical Standards for Distributed Energy Resources rule change

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon people who are marginalised and facing disadvantage. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC welcomes the opportunity to respond to the AEMC's consultation paper.

PIAC agrees that the current frameworks for Distributed Energy Resources (DER) in Australia have not kept up with the pace of uptake of DER in the National Electricity Market (NEM) or the potential role DER can play in transitioning to a more affordable, low-emissions electricity sector. Ideally, we would expect minimum technical standards that are responsive to the changing needs and opportunities from DER to be defined by industry standards frameworks. In their absence, however, we see value in defining these standards within the Rules framework by AEMO.

If such a standard is to be required by the Rules, PIAC supports the proposed approach of stating the purpose of minimum standards, the factors AEMO must consider, and any relevant definitions in the Rules. More prescription and technical detail are better provided in subordinate documents. This would allow the standards to be reviewed and updated more frequently to ensure they remain fit for purpose as technologies and understanding of the potential role of DER continue to evolve.

The rule change proposes to define the purpose of the DER minimum technical standards as "to support power system security and to enable consumer outcomes for connected DER for the long-term interests of consumers."¹ PIAC supports the purpose explicitly referencing the long-term interests of consumers but we consider this drafting to be too generic. It does not specify what minimum technical standards should achieve, as distinct from other parts of the Rules, such as DNSP network planning obligations, which also support power system security in light of DER.

As the AEMC notes, the definition of DER proposed in the rule change is written with respect to the physical assets and technologies that make up the DER. PIAC considers it preferable that DER should be defined in the Rules with respect to the services it provides. This is more consistent with the general approach in the Rules of classifying services rather than assets, and also prevents the Rules becoming redundant as new DER technologies or business models emerge.

¹ AEMO, Rule change proposal, 23.

PIAC recommends that AEMO lead an open and transparent process to develop the minimum technical DER standards, and consider a range of factors such as those listed in the rule change proposal.

PIAC supports the proposal that any minimum DER technical standard not be retrospective (i.e. only apply to new DER installations or replacements) to avoid unnecessary and unfair costs being imposed on the many households that have already invested in DER.

Continued engagement

PIAC would welcome the opportunity to meet with the AEMC and other stakeholders to discuss these issues in more depth.

Yours sincerely,

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