

12 October 2021

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



*Submitted online.*

Dear Mr Swanson,

### **Subject Governance of DER technical standards**

The Public Interest Advocacy Centre (PIAC) is leading social justice law and policy centre. Established in 1982, we are an independent, non-profit organisation that works with people and communities who are marginalised and facing disadvantage. PIAC builds a fairer, stronger society by helping to change laws, policies and practices that cause injustice and inequality. The Energy and Water Consumers' Advocacy Program (EWCAP) represents the interests of low-income and other residential consumers of electricity, gas and water in New South Wales. The program develops policy and advocates in the interests of low-income and other residential consumers in the NSW energy and water markets

PIAC welcomes the opportunity to respond the Australian Energy Market Commission's (AEMC) consultation on the governance of Distributed Energy Resources (DER) technical standards.

#### **DER standards governance**

PIAC agrees the current frameworks for 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.

PIAC prefers minimum technical standards to be responsive to the changing needs and opportunities from DER, and be determined by industry standards frameworks. As this is currently not available, we see value in developing a new coordinating structure and processes to help prioritise and coordinate technical standards for DER systems.

#### **The rule change**

PIAC supports the rule change proposal to make AEMC responsible for the ongoing governance of DER technical standards in the National Energy Market (NEM) by:

- establishing DER technical standards as part of the National Electricity Rules (NER) or a subordinate instrument under the NER;
- providing for the compliance and enforcement of those standards; and
- establishing the AEMC as the responsible decision maker for creating DER technical standards.

We consider these arrangements will provide an enduring solution where DER technical standards can be consistently applied across NEM jurisdictions.

PIAC supports DER technical standards being included in a subordinate instrument under the Rules for them to be able to be amended and updated in a timely, fit-for-purpose manner. Standards must be able to be created or revised

Level 5, 175 Liverpool St  
Sydney NSW 2000  
Phone: 61 2 8898 6500  
Fax: 61 2 8898 6555  
[www.piac.asn.au](http://www.piac.asn.au)  
ABN: 77 002 773 524

to resolve problems and respond to technological or market changes without going through a long and involved rule change process.

A new DER Standards Committee should be established to oversee the development of new DER Technical Standards. PIAC considers the Committee should have an advisory rather than deterministic role. The AEMC should be required to action the Committee's recommendations or provide specific reasons, including why the advice does not meet the National Electricity Objective (NEO), for not doing so.

PIAC recommends the Committee be selected through a nomination and merit-based selection process and preferably have independent co-chairs, or independent Chair and deputy chair. PIAC supports the proposed membership mix, that the Committee Members should be drawn from:

- Market bodies
- Consumers/consumer representatives with DER experience
- Distribution Network Service Providers (DNSP)
- Original equipment manufacturers (OEMs)
- Jurisdictional safety regulators
- Aggregators
- Standards Australia.

More than one consumer representative should be on the committee and a range of consumers should be represented, such as business and residential. Given the importance of the Committee's role and the need for members to devote significant time to its operation, members should be remunerated for their time and expertise. Without this remuneration, there is a risk that those members with the greatest resources have the greatest sway in the Committee's decision making.

The Committee's responsibility should be broader than simply determining standards, and should include:

1. setting a vision for DER technical standards;
2. developing a technical standards work program;
3. monitoring, reviewing and setting DER technical standards;
4. considering issues related to compliance and enforcement of standards in their development; and
5. providing advice on standards and undertaking related reviews.

The level of prescription about the Committee's operation should be comparable to that of the Reliability Panel, balancing clarity and scope for the Committee to make standards in a timely manner that are fit-for-purpose

PIAC would welcome the opportunity discuss these matters further with the AEMC.

Yours sincerely,

**Anna Livsey**

Policy and Communications Officer, Energy and Water  
Public Interest Advocacy Centre

Direct phone: +61 2 8898 6520  
E-mail: [alivsey@piac.asn.au](mailto:alivsey@piac.asn.au)