

7 August 2018

Ms Daniela Moraes
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Ms Moraes,

Register of distributed energy resources – Draft Rule Determination

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. PIAC welcomes the opportunity to comment on the Register of distributed energy resources – Draft Rule Determination.

PIAC supports the intent of this rule change

PIAC considers that the draft rule determination is in the long term interests of consumers in that the objective of the register is to bring down the costs of electricity for consumers by improving network investment decisions and load forecasting estimates. As such, the draft rule satisfies the intent of the national electricity objective (NEO) and the national energy retail objective (NERO). PIAC also considers that the consumer protections test is met with the details provided to date, although privacy concerns and the right for consumers to access their data must remain a priority.

Key features of the draft rule

PIAC agrees with the AEMC that AEMO is the appropriate body to establish and maintain the register for the reasons set out in the draft determination.

PIAC agrees there is value in starting with a static register even though a dynamic register would be more valuable in terms of visibility. It is likely that it will be difficult to collect relevant data retrospectively. Therefore, implementing a flexible mechanism sooner rather than later should be a priority, with the aim that the register does eventually become dynamic, collecting frequency and voltage set points as well as response settings.

Governance

As above, PIAC agrees that AEMO is a suitable host for the register.

PIAC reiterates that the design of the register needs to be forward focused and have the flexibility to be relevant in a rapidly evolving market. The register needs to be transparent and enable accountability. Protecting consumers' privacy needs to be a priority with a straight forward procedure developed to enable consumers to access and correct their own data.

PIAC supports the draft rule that AEMO develop a guideline rather than including all of the details in the NER. PIAC agrees that, for the purpose of the register, DER be defined as distributed generation that has a load that is responsive to either the demand or price of electricity (ie that it is 'smart'). The DER information guidelines developed by AEMO should include examples of case studies of products to help assess what products must be included in the register. The register should unambiguously include products which are capable of providing demand response, even if they do not currently provide this function.

PIAC agrees AEMO should have the flexibility in its guideline to only capture devices above a certain nameplate capacity, rather than having a limit set in the NER.

PIAC also agrees that the functionality and use of the DER is more important than who owns the device.

Data collection

PIAC supports DNSPs having clear responsibility for collecting and entering data. However, this may require that they collect data from other parties such as installers or retailers to ensure the register meets its objectives. Therefore, obligations to collect and pass on information may need to be placed on other parties.

Best practice data collection should be implemented wherever possible and the register's consistency should not result in an overall lowering of standards.

PIAC supports that the draft rule applies to both transmission and distribution networks (even though TNSPs are likely to be aware of all generators connected to their networks).

Compliance

Although a high degree of compliance is preferable to achieve the full potential of the register, PIAC notes comments made by AEMO that it can compensate for incomplete data as the register evolves. PIAC supports the AEMC's position that state safety regulators investigate how existing compliance mechanisms could improve DER register compliance and that the issue of compliance be revisited as the register evolves. PIAC suggests that a timeframe be set for a compliance review which would consider barriers to reporting, education and communications options and whether incentives or penalties should be implemented.

Data sharing

The rule change concentrates on the overall system, but there is little consideration given to consumers benefiting directly from the DER register. For example, consumers should be given the opportunity to participate in innovative DR programs. It would be preferable for consumers to opt in to these programs to overcome privacy concerns as well as protecting vulnerable consumers from unscrupulous third parties.

In addition to AEMO periodically reporting publicly relevant disaggregated information, it would also be desirable that there be an option for researchers, policy makers and other agencies to request AEMO provide specific data where the research is in the public interest and meets privacy requirements.

Cost recovery mechanism

It is preferable for the cost of establishing and maintaining the register to be recovered from a progressive system such as consolidated revenue to avoid cost increases being passed on to disadvantaged and vulnerable consumers. However, given the relatively low set up and ongoing costs estimated by AEMO for it to establish and maintain the register and the potential for overall network savings, PIAC agrees that having this cost spread across all participants is reasonable. The costs of the register should be re-evaluated at a set time period. If the costs of a dynamic register prove to be much more substantial, then the cost recovery mechanism should be reconsidered to ensure it is not a burden on disadvantaged and vulnerable consumers.

Safety issues and emergency response

Although the draft rule enables the DER register to be used to assist first responders, PIAC encourages the AEMC or AEMO to continue to seek feedback from emergency service organisations about how the register can be an effective tool to assist in safety.

The register should also be used to improve safety by being used to inform and assist consumers when there is a product recall as well as product end of life disposal.

Further engagement

PIAC would welcome the opportunity for further engagement with the AEMC and other stakeholders to discuss these issues in more depth. Please do not hesitate to contact Thea Bray on 8898 6520 or tbray@piac.asn.au.

Yours sincerely,



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