

3/02/2022

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Dear AEMC,

Enphase Energy welcomes the opportunity to provide feedback on the Australian Energy Market Commission (AEMC) Draft Determination on the governance of Distributed Energy Resources (DER) Technical Standards.

Enphase Energy are disappointed with the AEMC's decision not to make a rule in response to Dr. Kerry Schott's request of seeking to introduce new governance arrangements for DER technical standards, in the National Energy Market (NEM).

The AEMC draft rule determination states that the AEMC has the power to address urgent and necessary DER technical standards by initiating a review, convening a committee, or a panel and considering DER technical standards as part of a potentially boarder program. This can only be considered as a valid response if the AEMC decides to use the powers it claims to have. If the AEMC continues to take no action, then the credibility of the AEMC's "powers" in relation to DER policy will be negligible.

Enphase Energy believes the points raised by Enphase and others have been largely overlooked. Although there have been some recent developments around NEM standards, there is still considerable issues with compliance, enforcements, responsibilities, and the interpretation of all the regulations once new standards are published.

The development of a DER roadmap, that outlines which organisations are responsible and currently developing DER technical standards will benefit the whole industry, as well as paving the way for a greater level of DER integration on the NEM.

Enphase Energy's response to the 5 distinct roles that the AEMC has the potential to play a part is outlined below:

### **1. Identifying when the NEM needs new DER technical standards.**

How will the AEMC be involved in this? With Standards Australia? As outlined in our original response, Standards Australia is a volunteer organisation, which results in slow progress that cannot keep up with the speed of DER adoption.

When new standards such as AS/NZS4777.2:2020 and AS/NZS5033:2021 are published they are often not fully adopted in a timely manner, which is shown by the recent declaration process for AS/NZS4777.2:2020 and the lack of interpretation on AS/NZS5033:2021 which is currently in affect in NSW.

This raises the question: who is advising on, and enforcing the new DER standards? OEMs that have met the AS/NZS4777.2:2020 standard have effectively been wasting their time and money due to the declaration process, which has effectively given everyone an extra 6 months to achieve AS4777.2:2020 compliance. With no overarching body to be able to make a decision until the day before the new standard came into effect, was an embarrassing situation for the industry and the standards process in Australia.

## **2. Working with the Energy Security Board (ESB) and the Australian Renewable Energy Agency (ARENA)'s Distributed Energy Integration Program (DEIP).**

Enphase Energy agrees that different committees and agencies should work together for the greater good of DER technical standards, however the ESB and DEIP are advisory committees and they do not create or enforce regulation. Therefore, Enphase suggests that the AEMC investigates a way to effectively enforce the compliance with current and future Standards and regulation.

## **3. Observing Standards Australia's DER committees**

Standards Australia is a closed process that is not transparent, as the committee members are bound by non-disclosure agreements. "Observing Standards Australia" does not provide much hope that the AEMC will improve the process or ensure that Standards Australia publish DER standards in a timely manner, or that the content of them is appropriate.

## **4. Updating DER technical standards in the NER**

This process is done via timelines after the standard is set by Standards Australia, so we are curious as to how the AEMC plan to update DER technical standards in the NER in a timely manner while only observing standards Australia's DER committees? The AEMC should focus on developing a DER technical standards roadmap that outlines which committees and groups are developing the specific DER standards as well as a timeline on each development.

DER technical standards timelines need to be published and locked in. An example of this is Enphase's submission to the SA DEM consultation paper in July 2020, which has finally been locked in for a rule change on the first of July 2021.

By creating a comprehensive roadmap, there is less chance of overlap or gaps between the myriad of organisations with responsibility for DER governance.

## **5. Reporting on progress adopting standards and integrating DER**

We are keen to see how progress will be reported on, and with what frequency. Will there be more visibility into the Standards Australia process? How will the AEMC be able to do this with the current Standards Australia non-disclosure agreements? Whom will be responsible for compliance and enforcement as this is very much over looked at present? Do the AEMC suggest that the CER shall be responsible for compliance of DER Technical Standards throughout Australia? These are just some of the questions that need to be addressed if we are to have comfort that the AEMC can sufficiently meet the industry's needs.

Enphase Energy are happy to discuss any of the above suggestions directly with the AEMC. Enphase Energy Australia employees are actively engaging in industry DER committees including Standards Australia, The South Australian Dynamic Export Limiting committee, VPP programs and the CEC and Smart Energy Council (SEC) directorates and working groups, and thus well informed of the challenges that must be addressed.

Kind regards,

Enphase Energy Australia Pty Ltd