



Consultation on consumer energy resources technical standards

The Australian Energy Market Commission has started consultation on a review into compliance and enforcement of consumer energy resources (CER) technical standards across the national electricity market (NEM).

Objectives of review

The review's objective is to support CER's successful integration for the long-term benefit of electricity consumers. It will do this by assessing the NEM's 'state of play' implementing CER technical standards and identifying necessary next steps for market participants, market bodies, and other relevant parties.

The review's primary focus will be reporting on the progress in adopting and implementing CER technical standards across the NEM. As context for these implementation issues, the review will also:

- identify existing activities in relation to CER technical standards
- clarify consumer and NEM need for new CER technical standards.

This will allow the AEMC to consider the actions and arrangements to implement CER technical standards to support the NEM's continued transition. It will do this by identifying potential issues requiring further action that would enable improved implementation of existing and future technical standards.

Scope

In response to initial stakeholder engagement, the Commission has decided to focus this review, for 2022-2023, on compliance and enforcement of technical standards in the NEM.

It will commence with identifying the existing arrangements in place relating to compliance and enforcement of CER technical standards, specifically in relation to AS 4777.2 (as this is the standard that is enforced through the NER).

In addition, the review will seek to clarify the needs and expected outcomes from the successful implementation of CER technical standards, particularly AS4777.2, from the perspective of NEM participants and consumers.

In undertaking the review, the AEMC will publish a report that:

- considers the progress made in implementing existing CER technical standards
- identifies existing activities (and their prioritisation) regarding the implementation of CER technical standards in the NER and related frameworks, including roles and responsibilities related to compliance and enforcement
- identifies, and prioritises, any new work or actions required to better realise the objectives of introducing technical standards in the NER.

It is anticipated that information obtained about the existing standards will be able to inform a generally applicable approach or framework to consider how to achieve improved and workable technical standard compliance across the NEM that balances the needs and objectives of different stakeholders. This would support the development and implementation of future technical standards for CER in the NEM, including interoperability requirements.

In carrying out this review, the AEMC will:

- engage with industry stakeholders, consumer representatives, relevant jurisdictional bodies across Australia, the Energy Security Board, Australian Energy Market Operator and the

Australian Energy Regulator

- obtain advice as needed from market participants and/or independent consultants through committees, working groups, and reports as relevant
- provide a draft report for consultation before publishing a final report no later than 12 months from the date of commencing the review.

Interaction with other CER work

Energy market bodies are, collectively, releasing three consultation papers in September and October 2022 as part of the Energy Security Board's (ESB) *Consumer Energy Resources Implementation Plan*. The market bodies include the ESB, AER and the AEMC.

The ESB and market bodies welcome stakeholder consideration and input into these processes, noting the interlinked nature of these issues and the importance of considering their impact and outcomes on consumers and market participants holistically.

To support this broader consideration, where stakeholders provide feedback into any one of these processes, these will be shared across the agencies. The ESB and market bodies also plan to hold joint webinars to enable collective stakeholder consideration of issues. Dates for submissions and stakeholder webinars will be published on the ESB website.

Next steps

The consultation paper and the terms of reference are available on the AEMC's website.

Stakeholders are invited to make written submissions by 3 November 2022.

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