

3 November 2022

Ms Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
SYDNEY NSW 2000

Dear Ms Collyer

Review into Consumer Energy Resources Technical Standards

Ergon Energy Corporation Limited (Ergon Energy) and Energex Limited (Energex) welcome the opportunity to provide comment to the Australian Energy Market Commission (AEMC) on its consultation *Review into Consumer Energy Resources Technical Standards* (the Review Paper).

In relation to the proposed framework, Ergon Energy and Energex suggest it would be beneficial to include existing installations in managing performance and meeting their connection obligations. Several original equipment manufacturers have the capability to remotely program settings, including with AS/NZS4777.2:2015 inverters.

Following a significant engagement and education process prior to the enforcement of AS4777.2:2020, Ergon Energy and Energex, through their Standards and processes have ensured very high compliance to embedded generation (EG) systems >30 kVA. In Queensland, for EG Systems >30 kVA, a Compliance Report framework is used under the Registered Professional Engineering Queensland (RPEQ) to ensure compliance. With low digital meter penetration across Queensland, the levels of non-compliance for <30 kVA EG systems is less clear.

In Queensland, Ergon Energy and Energex can seek enforcement action for breaches to Connection Agreements and can also use the *Professional Engineers Act 2002* (Qld) for a breach that constitutes a specialised engineering service outside a legislated technical Standard. Increased access to smart meter data for verification would assist DNSPs to identify non-compliance. Currently, targeted compliance enforcement focuses on readily identifiable power quality issues related to unapproved export limits. Other non-compliance issues are more difficult to enforce due to the complexity, volume and cost of compliance. In our view, there are differences in compliance rates between states which we understand is based on industry education and communication, connection processes along with jurisdictional requirements.

It is our opinion that a unified approach would help all states and avoid any non-compliant products and/or services continuing in lenient jurisdictions. There may be a number of reasons for non-compliance, including legacy jurisdictional requirements or product defects. Often, product type testing processes can introduce different outcomes in certification. Further, there is variability in terms of different settings and whilst the default should be already programmed, there may be gaps in implementation. This is due to settings having the flexibility to use different values, allowing users the ability to modify. There may be a perceived incentive for extra operational or monetary benefits by altering settings within an EG Unit post installation. For example, altering power quality response modes. A body with national oversight would assist in addressing these challenges at the state level.

We suggest that the benefits of consumers complying with CER technical standards outweigh the costs for all users. For CER owners, there is a particular net benefit from having a stable distribution system, along with reduced risk of disconnection and power quality fluctuations. In our experience, some consumers have a low awareness of their obligations, along with low technical knowledge that may prevent optimum use of their CER.

We recognise that the Review Paper states that “it’s focus is on consumer outcomes from DER, including the interactions between device owners and the broader power grid, the term CER will be used throughout the project”. For that reason we have referred to CER in this response. However, we do think it is important for the AEMC to consider the terms used in the broader energy legislation, International and Australian Standards, products and the industry more generally. Although we understand the use of the term CER, the current National Electricity Rules and Guidelines refer to DER and therefore we suggest that further engagement be undertaken for the change of terminology to ensure clarity for consumers and the entire industry.

Should the AEMC require additional information or wish to discuss any aspect of this response, please contact me on 0429 394 855 or Laura Males on 0429 954 346.

Yours sincerely,



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