



Improving compliance with CER technical standards

The Australian Energy Market Commission (AEMC) has made final recommendations to improve compliance with consumer energy resources (CER) technical standards. The recommendations support the power grid's integration of behind-the-meter devices such as rooftop PV, electric vehicles, and battery energy storage systems.

Improving compliance requires immediate action and national reform

Compliance with CER technical standards must be improved to achieve the full potential benefits of CER. In the short term, this review recommends 10 immediate actions aimed at improving compliance over the life cycle of devices.

However, the AEMC recognises that regulatory constraints limit the level of compliance that can be achieved under the existing framework. Longer term governance reform is required to achieve consistent and enduring compliance with CER technical standards.

Recommendations for immediate action under the existing regulatory framework

The AEMC has recommended 10 immediate actions that can be undertaken by industry, jurisdictions and market bodies and without changes to the National Electricity Law (NEL) or the National Electricity Rules (NER).

The 10 immediate actions recommended in this review are summarised below.

Stage one: simplify device settings at manufacture and supply

- Original Equipment Manufacturers (OEMs) to make 'Region A' the default device setting.
- OEMs to remove historical versions of NER CER technical standards, from the settings menu for the inverter on new CER devices, to the extent possible, while maintaining obligations to meet the terms of device warranties.
- The Clean Energy Council (CEC) to incorporate existing and any future NER CER technical standards in the requirements for approved sellers voluntarily participating in the New Energy Tech Consumer Code (NETCC).

Stage two: promote compliant installation

- NER CER technical standards training be mandatory for accreditation under the Small-scale Renewable Energy Scheme (SRES). This would be undertaken by entities administering SRES accreditation.
- Jurisdictions to provide funded training on NER CER technical standards for installers.
- The CEC to publish and make freely available guidance material for installers to support configuring devices in compliance with NER CER technical standards. This would be done by the CEC voluntarily as a form of industry self-regulation.
- Distribution Network Service Providers (DNSPs) to introduce commissioning processes to verify correct device installation before connecting new CER devices to the grid.

Stage three: support ongoing compliance

- OEMs to voluntarily update devices remotely where possible to remedy non-compliance with NER CER technical standards.
- OEMs to provide data to DNSPs and AEMO to better support monitoring of non-compliance.
- Jurisdictions to subsidise reconfiguration, remote update or re-installation of non-compliant

CER devices on behalf of consumers.

The AEMC urges stakeholders to implement these actions urgently and in parallel with the development of an enduring national regulatory framework.

Jurisdictions to lead the development of a national regulatory framework for CER technical standards

Reform is needed to develop an enduring national regulatory framework for setting and enforcing CER technical standards.

The development of a national framework could be progressed by jurisdictions through a working group on CER policy established under the National Energy Transformation Partnership (NETP). The working group could be established to exclusively consider CER technical standards. Alternatively, reform could be progressed by a working group considering broader reforms to support the power grid's integration of CER.

The AEMC has undertaken a preliminary assessment of four potential reform options.

- **Option one: create a new national technical body.** Under this approach, jurisdictions would establish a new national body to oversee the setting of, and compliance with, CER technical standards for the NEM.
- **Option two: expand the role of the AER and the AEMC under the NEL.** Under this approach, jurisdictions would amend the NEL to expand the role of the AER and the AEMC to allow for the comprehensive setting and enforcement of CER technical standards in the NER.
- **Option three: expand the role of the Clean Energy Regulator.** Under this approach, the Commonwealth would expand the role of the Clean Energy Regulator to set and ensure compliance with CER technical standards on a nationally consistent basis. This could be done under the *Renewable Energy (Electricity) Act 2000* (Cth).
- **Option four: enforce national requirements under jurisdictional frameworks.** Under this approach, jurisdictions would agree that existing and relevant bodies established under local jurisdictional frameworks apply and enforce CER technical standards.

These options are not mutually exclusive and it is important for jurisdictions to further assess the options to determine which is the most appropriate.

Addressing non-compliance in the interests of all electricity consumers

Many recently installed CER devices do not comply with the CER technical standards in the NER. The underlying reason is limitations with the existing regulatory framework established under the NEL.

Non-compliance with CER technical standards negatively impacts all electricity consumers. If left unaddressed, it threatens power system security, reduces the amount of new CER that can connect to the grid and puts upward pressure on power prices.

Next steps

The AEMC will continue to work with jurisdictions and other market bodies to support reform of the regulatory framework for CER technical standards.

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