



Lily Mitchell
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Our Ref: JC 2017-037

8 November 2017

Dear Lily,

S&C Electric Company response to the Consultation on the Draft Determination on Stand-alone Power Systems (ERC0215)

S&C Electric Company welcomes the opportunity to provide further comment on the draft determination related to the deployment of Stand-alone Power Systems (Microgrids) by DNSPs.

S&C Electric Company has been supporting the operation of electricity utilities in Australia for over 60 years, while S&C Electric Company in the USA has been supporting the delivery of secure electricity systems for over 100 years. S&C Electric Company not only supports “wires and poles” activities but has delivered over 8 GW wind and over 1 GW of solar globally.

S&C Electric Company has been actively engaged in deploying Battery Energy Storage Systems for over 10 years, supporting a full range of business models and using a range of battery technologies, at the kW and MW scale, and currently has 76 MW/189 MWh in operation. S&C Electric Company also deploy microgrids at various scales. In Australia, S&C projects include the Ergon Grid Utility Support System in Queensland, which reduces peak loads and provides voltage support on rural Single Wire Earth Return lines and the 2 MW battery for PowerCor in Victoria.

S&C Electric are particularly interested in facilitating the development of markets and standards that deliver secure, low carbon and low cost networks and would be very happy to provide further support to the Australian Market Energy Commission on the treatment and potential of these technologies.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'Jill Caaney'.

Dr. Jill Caaney
Global Applications Director – Energy Storage
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Response:

We are strongly supportive of the approach proposed by the AEMC, but hope that the wider distribution of responsibilities for delivering the necessary regulations to support DNSPs to deploy Stand-alone Power Systems doesn't result in undue delays.

We continue to support a role for DNSPs in electricity supply (retail) if no other provider is available. As Energy Queensland stated in their response to the consultation, local regulations provide for the DNSP to be the retailer in certain locations and circumstances, and state law provides consumer protections. The Energy Queensland example is a model of how DNSPs can have regulated a role in retail.

We continue to support DNSPs using microgrids not only to replace existing poles and wires, but where a new community is to be developed (no poles and wires currently exist). As long as the DNSP can demonstrate that a microgrid will deliver electricity to end consumers at least cost and reliably, then this is an option that should be allowable.

We continue to have concerns over the limited definition of a "microgrid" and hope that as the regulatory approach develops that any definition is not restrictive and is fully tested for intentional and unintentional consequences. Preference should be given to a definition for microgrids that is internationally accepted such as that detailed in Ton and Smith, The U.S. Department of Energy's Microgrid Initiative, The Electricity Journal, 2012.