

GOVERNANCE OF DISTRIBUTED ENERGY RESOURCES TECHNICAL STANDARDS

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Introduction

Master Electricians Australia (MEA) is the trade association representing electrical contractors recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. Our website is www.masterelectricians.com.au

Rule proposal

MEA is concerned regarding the solutions as proposed in the consultation paper. DER can take many forms and will develop over time and new technologies will emerge and may in fact create an ability to better manage the grid rather than causing more problems, as the tone of the consultation paper seems to take.

The creation, advancement and management of DER both small and large for networks will need to be technology neutral. In our understanding of DER management for networks it is the lack of ability to control DER devices and not the devices themselves or the installation that is at the heart of the issue under consideration. There is no information from AEMC that the issue is how the energy itself is created or stored. What is at the heart of the issue is that the DER need to be controlled to ensure network stability. It is our view then that any technical standard should be limited to an ability for DSNP to control and manage the network themselves and not extend any further.

MEA believes that Standards Australia has a broader prevue including manufacturing and design of DER devices compared to AEMC rule change to manage the network. We believe this is supported by the way the impending rule change for DER has been constructed. The consultation paper and Dr Schott have had some frustrations with the current Standards Australia process the comments attributed to him in the paper simply don't recognise the much broader issues that Standards Australia needs to consider.

When we examine Fig 2.2 of the consultation paper it is obvious that the NER is complicated but part of a system that has many impacts, and that changes will affect not only consumers but also retailers aggregators State and Territory governments.

The consultation paper also highlighted the ESB identified additional problems. MEA would respond to those

- *the publication of Australian or international standards does not mean automatic adoption by manufacturers or jurisdictions*
 - The Australian Market is a small market and has a very low R&D / manufacturing base which results in relying on product from overseas, the industry already experiences difficulties when international companies do not create product in a timely manner just for this market.
- *network technical connection standards provide for minimum DER technical standards, but there is a lack of coordination across the NEM*



- This is based in state boarders and again this is an issue experienced by Standards Australia, state regulators, manufacturers and consumer advocates already.
- *while the rule change request lodged by AEMO on minimum DER technical standards sought to implement an initial solution, an enduring solution is needed.*
 - *There is no evidence as yet to see if the initial solution is successful as it has not had an opportunity to be implemented as yet.*

MEA would also highlight

Dr Schott is also concerned that Standards Australia:

- *relies on a technical committee dominated by network service providers, and market and regulatory bodies*
 - In examining the makeup of the AEMC proposal we see the same groups being included and would question what difference is achieved?
- *relies on a consultation process that is too short and opaque compared with the AEMC stakeholder consultation process*
 - AEMC consultation paper states that Dr Schott said Standards Australia process was “**too slow**” however we see here its being framed as too fast and opaque
 - MEA sees very little difference between the two models of Standards Australia and as proposed by the AEMC consultation paper.
- *lacks clarity and transparency in its objectives when developing Australian Standards.*
 - The consultation paper does not limit the AEMC rule change intent on DER and its view that it should be a manufacturing standard technical committee which we view is duplicitous with both Australian and International Standards and extends past its scope under the NER. The consultation paper also does not clarify the objectives or set the boundaries for the committee.

MEA believes that the current DER Technical Standard as described by the paper is fit for purpose. Effective from December 2021 the standard

- created DER Technical Standards for embedded generating units connecting to a distribution network through a micro EG connection service
- defined DER Technical Standards as the requirements set out in Australian Standard AS4777.2:2020 as in force from time to time
- required embedded generating units the subject of model standing offers for basic micro EG connection services to comply with DER Technical Standards
- obliged Distribution Network Service Providers to inform connection applicants about the need to comply with DER Technical Standards, if the connection applicant is proposing to connect a new or replacement embedded generating unit through a basic micro EG connection service
- included a requirement in the minimum content requirements of connection offers for connection applicants connecting a new or replacement embedded generating unit to comply with the DER Technical Standards

- applied DER Technical Standards to new connections or replacement inverters and connection alterations

Committee Structure

MEA has serious concerns regarding the following areas of the proposed committee

Members

- *Market bodies*
Who is defined as a market body? would this include retailers? What other market participants
- *Consumers/consumer representatives with DER experience*
Does this include State Energy Ombudsman, ACCC?
- *DNSPs*
 - Already involved in Standards Australia. Will all be allowed?
- *Original equipment manufacturers (OEMs)*
 - Already involved in Standards Australia. How many equipment manufacturers will be allowed?
- *Jurisdictional safety regulators*
 - Already involved in Standards Australia. Will all jurisdictions be allowed?
- *Aggregators*
 - Will all aggregators be able to participate?
- *Standards Australia.*
 - Standards Australia staff do not have expertise in the electrical industry and rely of the technical committee members to unanimously agree on changes to Australian Standards using the detailed consultation process and public feedback process. Is the paper suggesting that the Committee of EL-042 be represented?

MEA also recognises that Electrical contractors through both MEA and other employer associations and Trade Unions such as the Electrical Trades Union representing electricians have legitimate and genuine concerns over and interests in AS 4777 and as such this has not been contemplated in the full technical standard. The AEMC paper identifies that the standard will be implemented via customer connections if the rule change is accepted. The paper clearly identifies this

By including these new requirements in connection agreements, the proponent argued an obligation to meet DER technical standards would extend to:

- *connection applicants (or their representatives)*
- *manufacturers*
- **installers of DER and DER devices.**

MEA has serious concerns about reducing the involvement of industry and is concerned over the discussion paper lack of detail concerning appointment process, number of positions and

expertise parameters that appointment would be based upon. Whilst the paper goes on to say that balance will be achieved via several positions based on

- Geographical location and participating jurisdictions
- Covering NEM networks, non-NEM networks, and standalone power system standards considerations
- Appropriate mix of commercial, legal, and technical expertise
- Diversity of members' backgrounds.

It does not identify who within the AEMC or other part of the NEM legislative bodies will be charged with appointing and being held accountable.

Significantly in examining the 5 case studies that were provided at the end of the document MEA would not support any of the models provided as being acceptable in terms of consultation and none of those examples cover topics with as much impact as DER technical standards will have on the industry.

It is also not clear from the paper about whether the committee will be a decision-making body or will make recommendation to the Commission for the Commissions approval. Additionally, will the Commission have the power to accept, reject or amend any decision/recommendation from the committee. It is also not clear if the committee would need to achieve consensus or arrive at decisions by simple majority, by 2/3 majority or some other level of approval.

In summary MEA recommendations regarding the rule change are as follows

- The rule change does not proceed in its current form.
- The rule change be delayed until such time as the current interim measures in place have an opportunity to be measured and evaluated and incorporated into a consultation process.
- The scope, makeup, appointment, consultation and decision-making arrangements of any technical committee that may be created be clearly designed defined and documented and subject to its own consultation process and rule change.

MEA appreciates the opportunity to supply feedback on this important area.



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