

14 January 2021

Ms Merryn York
Acting Chair
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Lodged via the AEMC's website

Dear Ms York,

Re: Technical standards for distributed energy resources (ERC0301) – Draft determination

Simply Energy welcomes the opportunity to provide feedback on the draft determination to establish technical standards for distributed energy resources (DER).

Simply Energy is a leading energy retailer with over 730,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. As a leading retailer focused on continual growth and development, Simply Energy supports the development of effective regulation to facilitate competition and positive consumer outcomes in the market.

Simply Energy agrees with the introduction of consistent minimum technical standards for distributed energy resources (DER) and supports the Australian Energy Market Commission's (Commission) draft determination. As consumers will ultimately be required to pay the cost of implementation of, and compliance with, the DER technical standards, it is important that these costs are efficient so that consumers are not deterred from investing in DER.

Proposal to use existing Australian technical standards

Simply Energy supports the Commission's proposal to adopt Standard Australia's AS 4777.2 rather than developing bespoke standards that largely duplicate existing technical standards. In addition to reducing implementation and compliance costs, this approach would ensure that industry participants are not confused about the applicable technical standards. Simply Energy also supports the Commission being responsible for the management of the DER technical standards until a long-term framework is established following consideration of the rule change request submitted by Dr Kerry Schott AO.

While Simply Energy supports the National Electricity Rules referencing the most recent version of AS 4777.2, it is not clear why a rule change process should be required each time there is an update to AS 4777.2. Although these updates will be infrequent, the Commission's resources could be used more productively if reviews only occurred if a significant issue would arise from adoption of the latest standard.

Due to a gap in testing procedures, Simply Energy supports the Commission's proposal that the Australian Energy Market Operator (AEMO) be given oversight of short duration undervoltage response testing requirements. As AEMO has already developed this testing procedure for South Australia, this appears to be a cost-effective proposal. However, if these gaps are addressed through

the upcoming AS 4777.2:2020, Simply Energy would support these standards being used instead of an AEMO testing procedure.

As the Commission is not proposing the creation of bespoke technical standards, Simply Energy supports the proposal to use existing processes for network connection agreements and compliance arrangements. While the Commission's proposal seems appropriate, Simply Energy notes that placing additional requirements on distribution businesses may result in higher network charges for all consumers, regardless of whether they have invested in DER.

Scope of the draft rule change

Simply Energy supports the Commission's proposal to focus its draft rule on the current and urgent needs of managing power quality issues and system security threats. However, long-term issues related to DER integration require proper consideration and should not be deferred until those issues become imminent and urgent. Simply Energy proposes that the Commission set out a timeframe for when it will review other important DER integration issues that are not covered by the draft rule.

Concluding remarks

Simply Energy welcomes further discussion in relation to this submission. To arrange a discussion or if you have any questions please contact Matthew Giampiccolo, Senior Regulatory Adviser, at matthew.giampiccolo@simplyenergy.com.au.

Yours sincerely

A handwritten signature in black ink that reads "James Barton". The signature is written in a cursive, slightly slanted style.

James Barton
General Manager, Regulation
Simply Energy