

DER Implementation Plan – reform activities over three-year horizon

Figure 1 DER Implementation Plan – Summary View

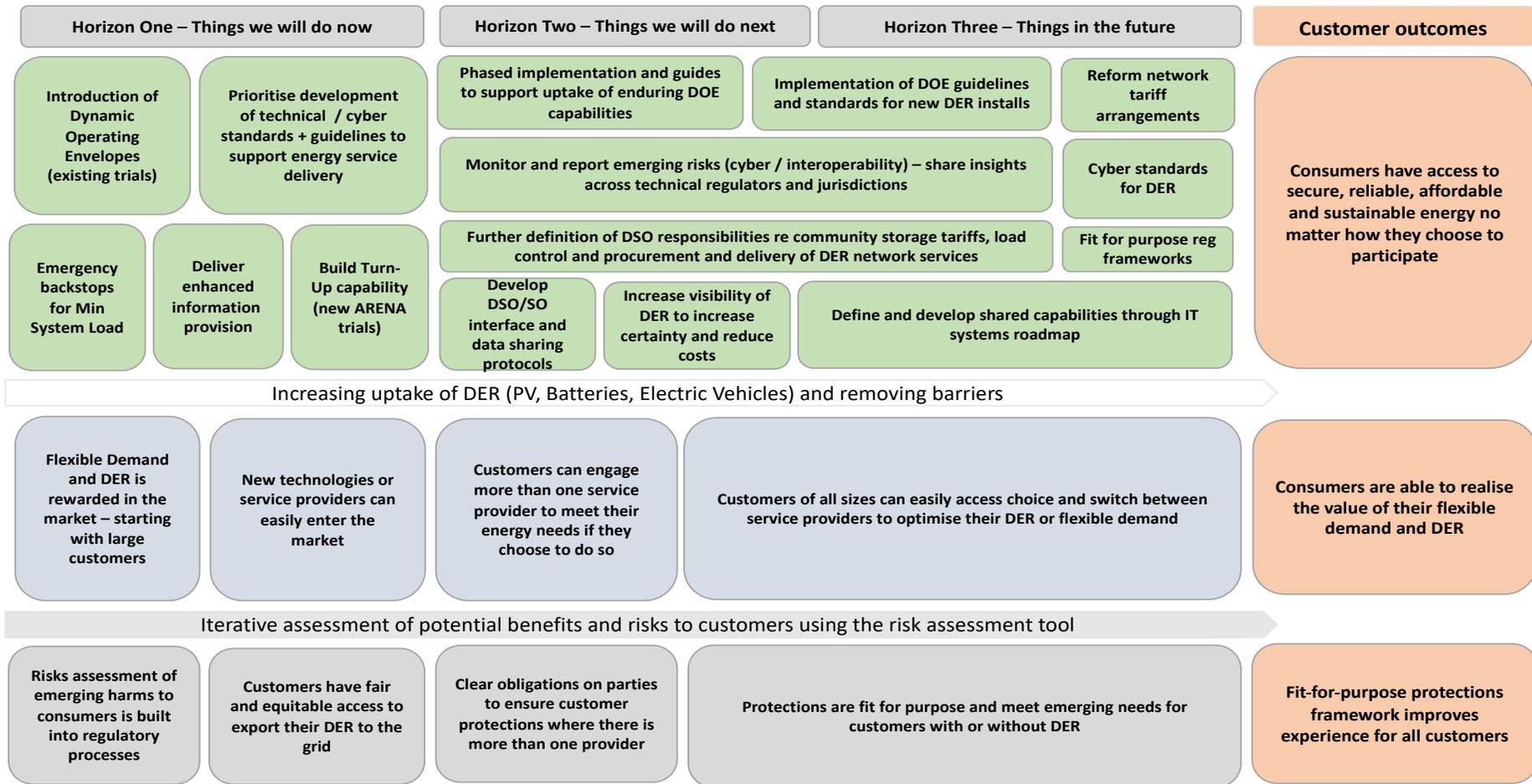
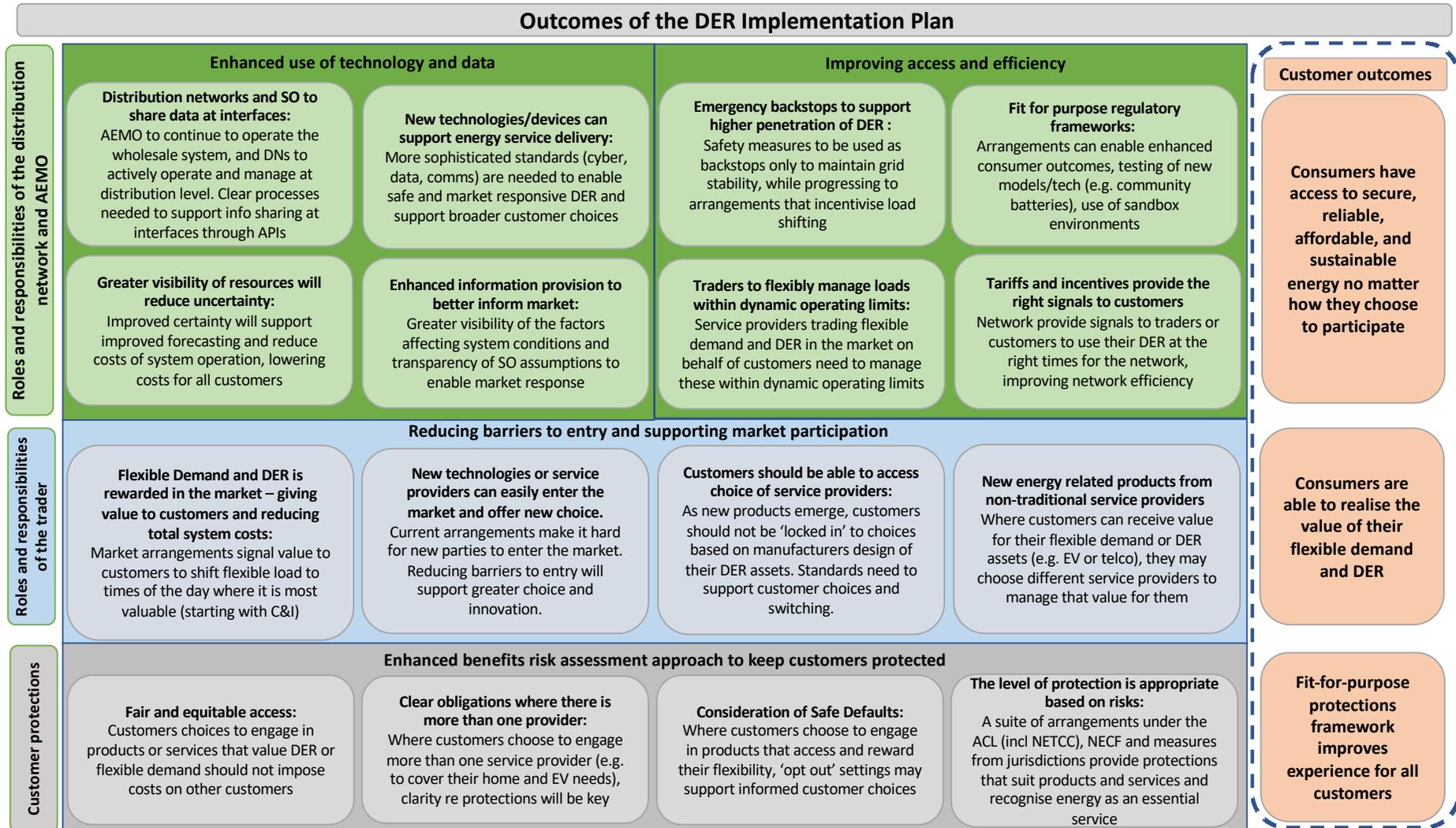


Figure 1 Outcomes of the DER implementation plan



Horizon One

Activities that will be commencing immediately, to be underway or complete by mid 2022.

- Completion of first phase of technical interoperability, communications, and cyber standards for DER, and definition of interoperability policies.
- Emergency backstops in place or in progress for jurisdictions to address system security challenges associated with low minimum system load events, alongside enhanced information provision from AEMO and early trials to promote price-responsive turn-up load in markets.
- First steps towards phasing in of dynamic operating envelopes (DOEs) as the long-term feature of the NEM DER ecosystem, with mandatory compliance for new solar PV and storage systems by 2025.
- First step mechanisms for increased DER participation, including new Flexible Trading Arrangements rule changes, including co-design through the CIC processes.

Horizon Two

The second horizon of activities in the plan will include:

- Implementation of scheduled-lite, to promote opt-in visibility for large C&I flexibility.
- Complete review of DSNP responsibilities in relation to the DSO transition, community storage, DUoS and DER energy service procurement, with a clear timetable for further reforms.
- Introduction of Trader services reforms, providing clarity on the various services and obligations for Traders in respective service categories.
- Commence work on EV smart charging standards and policies, including co-design with consumer and industry groups through the CIC process.
- Continued work on phased rollouts of DOEs with certain networks and jurisdictions to lead the adoption of active DER participation in markets.

Horizon Three

For reforms to be completed by 2025 or bringing forward long-term issues, the third horizon expects:

- Rollout of interoperability and cyber technical standards needed for active DER participation, mandatory compliance with DOEs, and processes for switching between providers.
- Introduction of the Trader services models and flexible trader metering arrangements, encouraging new providers into the market.
- Introduction of reforms to network regulation that drives network efficiencies through improved tariffs, and mechanisms to enable structured procurement of DER services by networks.
- Consumer protections frameworks have evolved to capture the risks associated with new products and services entering the market alongside the Post-2025 reforms.

Figures 3-5 sets out the activities associated with each time horizon.

Figure 2 Horizon One: things we will do now

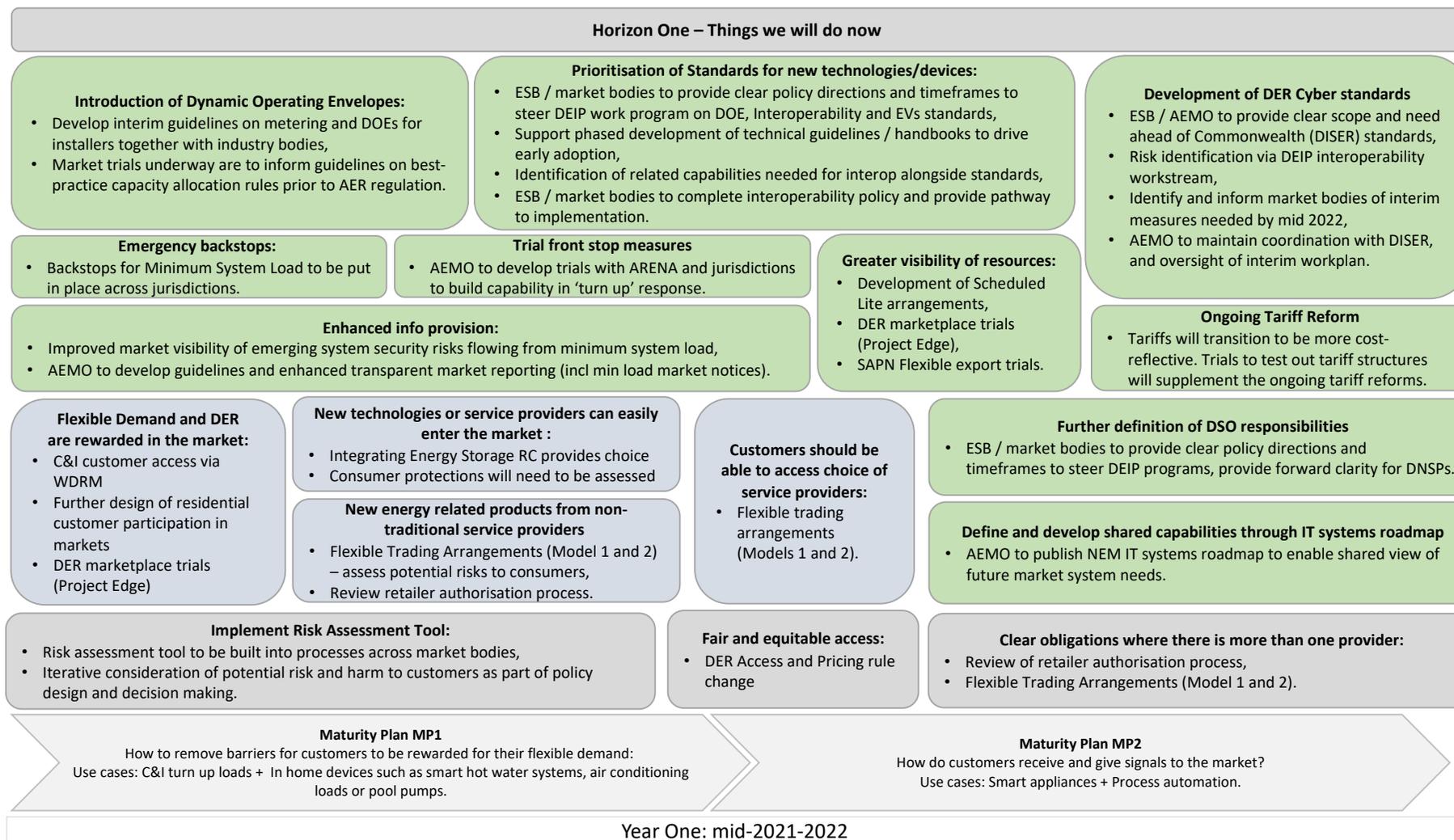


Figure 3 Horizon Two: things we will do next

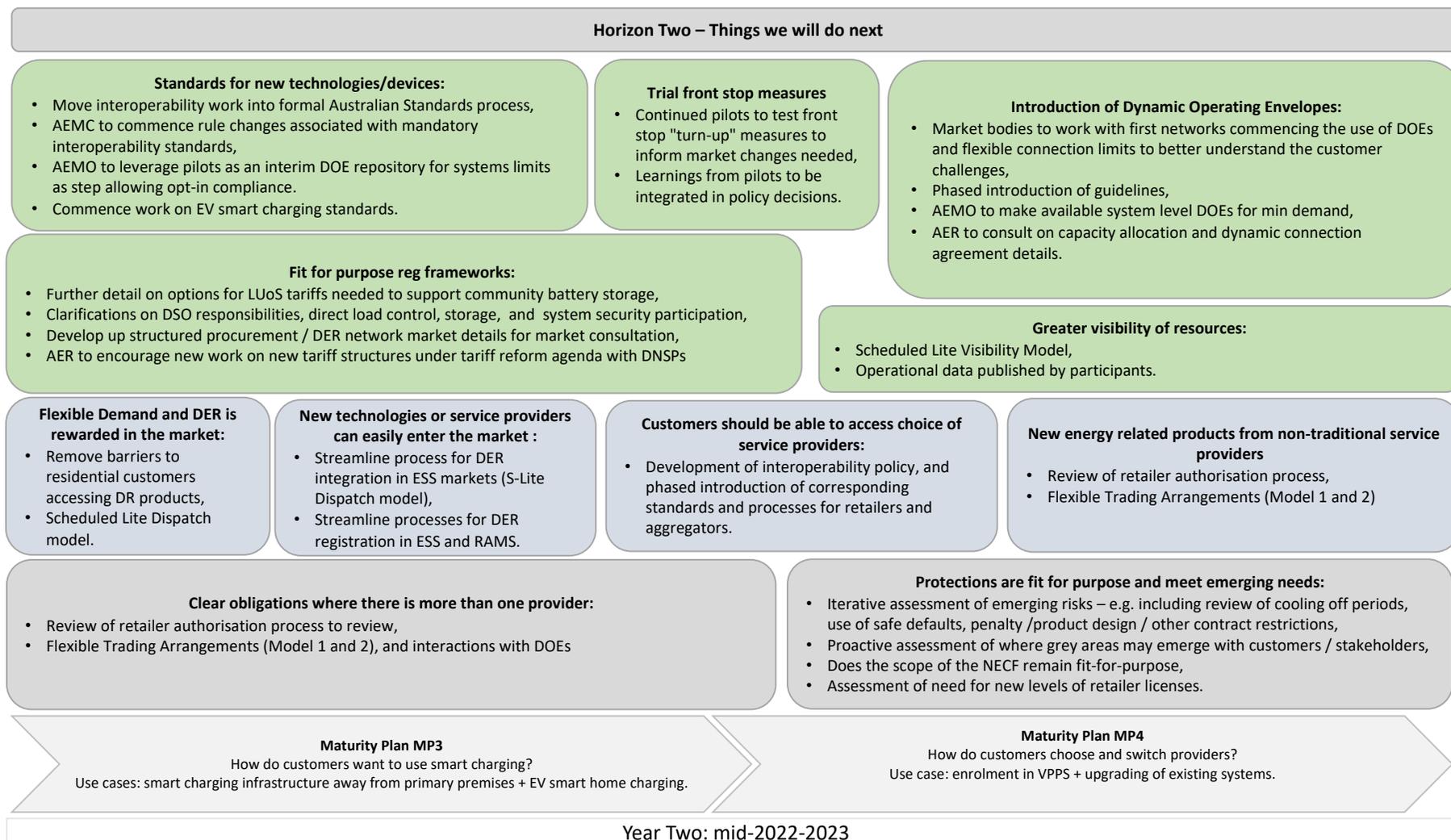


Figure 4 Horizon Three: Things in the future

