

10 February 2021

Anna Collyer
Chair of the Energy Security Board
Australian Energy Market Commission
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Dear Ms Collyer,

Ausgrid submission to the Energy Security Board (ESB) Interoperability Policy framework consultation

Ausgrid is pleased to respond to the ESB's consultation on an interoperability policy framework for distributed energy resources (DER), published in December 2021.

Ausgrid owns and operates a shared distribution grid that stretches from southern Sydney to the Upper Hunter Valley, including the Sydney CBD. Our network supports over 20 per cent of the national gross domestic product and over 4 million people who live or work within our network area. We see our grid as a shared, open platform, upon which a new ecosystem of products and services will evolve, with interoperability being a key enabler of this. We support the efficient evolution of the energy system in a way that reduces costs across the supply chain, while at the same time providing customers more choice and control.

Further justification is required for the focus on CSIP-Aus

After further discussion with the ESB, we understand the purpose of the consultation to be to simultaneously receive feedback on:

- A potential assessment framework for interoperability standards, and
- The appropriateness of mandating feature sets of the Common Smart Inverter Profile Australia (CSIP-Aus)¹ implementation guideline.

We query whether the CSIP-Aus is the most pressing standard to mandate to improve ease of switching providers by customers, which is positioned by the ESB as the primary driver of interoperability. In the short-term, we recommend that the ESB provide clear justification for why the focus is on the CSIP-Aus in order to gain support for this policy position.

The assessment criteria should be broadened

The focus on CSIP-Aus has made the assessment framework's scope too narrow. The framework should be applicable to all interoperability standards, including interfaces between devices within a customer's home. The ESB could also consider making the assessment framework broad

¹ Primarily an adaptation of IEEE 2030.5 standard, which California mandated for inverter-based resources for utilities managing DER

enough that it is applicable to any solution (technical or otherwise) that helps with interoperability (for example, providing customers with standardised information on market offers).

To improve the applicability of the 7 assessment criteria, Ausgrid recommends the following changes:

- **Criterion 2:** Rename this criterion from 'System and Network costs' to 'Whole of System Cost'. This should explicitly include aggregated direct customer cost impacts. We understand this to be the intent of this criterion in FTI Consulting's report.² However, it has been overshadowed by Criterion 2's narrow name. Alternatively, to ensure customer cost impacts are considered, aggregated direct customer costs could be included as an additional criterion.
- **Criterion 4:** Rename this criterion from 'Market facilitation' to 'Market facilitation and ease of switching.' This should explicitly include assessing ease of switching by customers as this is cited as a key driver for introducing interoperability standards. Again, alternatively, this could be included as an additional criterion to ensure it received sufficient consideration.

We also strongly recommend making **Criterion 5** on 'Data Privacy and Cyber Security' a hard criterion that sets a basic level of expected performance for any standard to be further considered.

Prematurely mandating CSIP-Aus feature sets could stifle innovation

Conceptually, Ausgrid supports grouping features within a standard and applying the assessment framework. However, we recommend that an assessment of the readiness and benefits of grouping and mandating feature sets is also required. We contend that, mandating the 'Mechanisms for control' CSIP-Aus feature set while it is still being actively developed and tested through pilots and trials could stifle innovation.

The adoption of any new standard requires iteration to ensure it is applicable to the local context. Additionally, take-up is usually driven by the usefulness of the standard. Significant progress has been made by the Distributed Energy Integration Program (**DEIP**) Interoperability Steering Group. They opted to jointly develop an Implementation Guide³ for CSIP-Aus rather than developing a full standard. This guide continues to be actively refined, with new feature sets and approaches fit for the Australian context rapidly emerging.

For example, Ausgrid's Project Edith⁴ is leveraging the Australian Renewable Energy Agency's (**ARENA**) 'evolve DER Project'⁵ interface between Distribution System Operators (**DSOs**) and aggregators (based on CSIP-Aus/IEEE2030.5). We aim to expand upon the scope of the CSIP-Aus Implementation Guide to include new features such as dynamic network pricing, load-side operating envelopes and normal-operation ramp rates. We caution the ESB against intervening and making CSIP-Aus mandatory while these and other projects are ongoing and the scope of what is needed is still being actively addressed and developed. Good progress is being made without intervention. Locking in standards prematurely has a real risk of introducing costs and

² <https://www.energy.gov.au/sites/default/files/2021-12/FTI%20-%20Assessment%20Framework%20for%20DER%20interoperability%20policy%20-%20December%202021.pdf>

³ <https://arena.gov.au/knowledge-bank/common-smart-inverter-profile-australia/>

⁴ <https://www.ausgrid.com.au/About-Us/News/Project-Edith>

⁵ <https://arena.gov.au/projects/evolve-der-project/>

stifling innovation without delivering a measurable improvement in the take-up of a standard above what is organically already happening.

We would be happy to discuss this submission with the ESB. Please contact Alida Jansen van Vuuren, DSO Manager at alida.jansenvanvuuren@ausgrid.com.au.

Regards,

A handwritten signature in black ink, appearing to read 'RAL', with a long horizontal stroke extending to the right.

Rob Amphlett Lewis
Chief Customer Officer