



11 February 2022

Energy Security Board

Lodged by email: info@esb.org.au

Dear Sir/Madam,

Energy Security Board Interoperability Policy – Consultation Paper

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the above consultation paper.

Origin is a large Australian integrated energy company with activities in energy retailing, power generation and natural gas production. Origin also has recent experience in exploring new product offerings and has focused on areas such as solar & storage and connected homes.

We have developed our own proprietary virtual power plant (VPP) platform to enable the coordination of behind the meter distributed energy resources (DER). Assets connected to the VPP have grown from 98 MW to 217 MW over the past 12 months, including an increasing variety of distributed energy and Internet of Things (IoT) devices. These devices include hot water systems, solar, batteries, air conditioners and various industrial assets, which are aggregated, controlled and dispatched in response to market and portfolio positions, creating value for both Origin and customers through a lower cost of energy. We view the integration of DER as a key long-term reform.

We support the development of a customer centric, competitive market approach to DER integration, that focuses on incentives rather than mandating rules. This should be flexible and support a range of technologies to allow customer choice and promote the development of multiple products and services. We are pleased to see a strong focus of customer considerations in this consultation paper. Clear communication from Governments about how and why the market is changing will be very important in maintaining community acceptance.

Whilst we support the ESB's intent to improve the coordination of interoperability policies and bring a national approach, we are also concerned that the proposed policy may add another layer of regulation which adds confusion and cost to customers. As the paper indicates, there are already various interoperability policies and rules which are being developed by a range of jurisdictions, market bodies and networks. We suggest that the ESB coordinate with these bodies, and in particular the AEMC, in developing its approach as a starting point.

The key policy issue that should be improved as a priority is governance. The AEMC is currently considering a Governance of DER technical standards rule change and we suggest that the ESB wait until that process is finalised. If possible, a formal AEMC review of DER related governance would be preferred.

In our response to the above AEMC process we supported the intent of the proposed rule change which we understand is to both better coordinate the governance of DER technical standards across the NEM as well as provide a more efficient approach to standards development and implementation.

How new interoperability policies are implemented will be key to whether the desired benefits are achieved. In our role as a retailer of DER products and services we currently face a range of related technical standards at the state and distribution network level. If poorly implemented, the proposed policies may simply add an extra layer to this process.

We are a member of the Clean Energy Council (CEC) and generally support their submission on this consultation paper.

If you wish to discuss any aspect of this submission further, please contact Matthew Kaspura at matthew.kaspura@originenergy.com.au.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "K. Robertson".

Keith Robertson
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