

31 January 2022

Ms Anna Collyer
Chair
Energy Security Board
Level 15, 60 Castlereagh St
Sydney NSW 2000

Via email to info@esb.org.au

Dear Ms Collyer,

Re: Response to Interoperability Policy, Stage 1: Inverter based resources - Consultation Paper

Simply Energy welcomes the opportunity to provide feedback on the Energy Security Board's (ESB) consultation paper on stage one of the interoperability policy, inverter-based resources.

Simply Energy is a leading energy retailer with approximately 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's submission provides feedback to several of the ESB's consultation questions.

Questions related to the assessment framework

Question 5: This assessment framework has been established to assist consideration of the CSIP-Aus standard for inverter based DER (solar PV and battery storage); however, it could also support consideration of other technology groups, such as EV smart charging and smart appliances. What are stakeholder views in respect of the applicability of this framework to other technologies, e.g., could the framework be applied to electric vehicle charging standards as a subsequent exercise?

Simply Energy considers that it would be an appropriate next step to determine whether other technologies could and should be part of an assessment framework. Electricity-connected hot water systems are a technology already installed in abundance and have the potential to offer services to distribution network service providers and market operators that would complement solar PV and battery storage inverters.

While relatively few models of hot water heaters are currently 'smart', it is likely that consumers will be soon making choices on whether to install combinations of solar PV & smart hot water heater, solar PV & battery, as well as solar PV & electric vehicle charger. It would be appropriate to include these types of connected technologies in an assessment framework before they become widely adopted.

Questions related to application of the policy

Question 7: Is there an assumption that existing fleets of devices would need to be grandfathered? If so, how long might be appropriate? Would sunset arrangements need to be considered to address potential issues of inequity issues?

Simply Energy, and other stakeholders, highlighted these types of issues in relation to Virtual Power Plant (VPP) hardware in submissions the Australian Energy Market Operator's (AEMO) Market Ancillary Service Specification (MASS) consultation.¹

Once VPP fleets are deployed at scale, it becomes increasingly costly to retrofit hardware to each site. Software updates may be possible but would be contingent on the appropriate hardware being in place first. Simply Energy provided evidence to AEMO that demonstrated retrofitting our VPP fleet would be significantly costly and would erode the viability of providing VPP services to our customers.²

Simply Energy would support existing fleets of devices being grandfathered for the life of the assets, which would ensure that existing resources would be replaced with compliant technologies over time. This would minimise unnecessary costs as existing resources would avoid being withdrawn as available resources when they still have a useful life.

Question 8: Is it appropriate for new standards to apply to all retailers? How would aggregators and embedded network providers be treated?

Simply Energy supports a simple approach that applies any new standard to all retailers, aggregators, and embedded network operators. This would avoid any confusion around who should or should not be subject to the standard. It would also ensure that consumers will retain the same level of choice regardless of which entity they interact with.

Question 13: What might be likely systems and processes required to ensure that customers can easily switch providers that conform to these new standards? How does this relate to other IT and systems upgrades identified as part AEMO regulatory and IT systems roadmap?

Any adopted process should limit the number of steps needed for consumers to switch providers. From the perspective of an energy retailer, it would make sense to have visibility on whether the customer has any technology that is, or could be, operating within a wider fleet. A system such as MSATS could be the appropriate system for containing such data. However, aggregators or embedded network operators may have alternative suggestions that may provide a better fit.

Question 15: The burden of compliance with implementing the technical standards will fall in the immediate term on the vendors across the solar and storage industry. In the medium term, the upfront and operational costs for compliance will likely be passed back to customers via Traders (retailers and aggregators). What are the key issues for retailers in ensuring this can be delivered at

¹ AEMO, Amendment of the Market Ancillary Service Specification (MASS) – DER and General consultation, accessed at: <https://aemo.com.au/en/consultations/current-and-closed-consultations/mass-consultation>

² Simply Energy 2021, Submission to 'Amendment of the Market Ancillary Service Specification – DER consultation – Draft determination, 6 August, public version of submission available at: https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2021/mass/submissions/simply-energy.pdf?la=en

low cost? Are there aspects of the feature sets that have significant cost implications? Is there merit in staging the introduction of functionality over time?

Simply Energy would support a staged rollout of the technical standards rather than adopting changes in a single step. We expect the solar and storage industry to provide guidance on their ability to deliver changes within manageable timeframes.

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



James Barton
General Manager, Regulation
Simply Energy