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Standards and the future of distributed electricity

The Australian Energy Council (the Energy Council) welcomes the opportunity to make a submission to the Standards and the future of distributed electricity discussion paper.

The Energy Council is the industry body representing 22 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

We understand that the goal and objectives in developing this roadmap is to better support the evolving needs of customers and in turn to foster the long-term resilience and efficiency of Australia's energy system.

The Energy Council supports a collaborative approach with stakeholders from the energy supply chain to assess and review the state of standards relevant to the electricity sector.

In reviewing the current state of standards and committees, the Energy Council is highly supportive of this goal as we sit on a number of Standard Australia's committees and welcome the opportunity to participate in the assessment of the effectiveness and/or active status of relevant committees. Standards Australia may want to expand their scope to assess how their standards are being implemented in practice, in particular where they are being adopted for Commonwealth and/or State legislation, and if any barriers were created accordingly.

Policy discussions at both the federal and jurisdictional levels are under way regarding regulatory reforms to the National Electricity Market (NEM) to support the emergence of new technologies including increasing renewable energy. This implies that the current regulatory framework is likely to change in the near future and therefore the prioritisation of standards at this stage may focus on areas that may not align with the outcomes from current government policy development processes. It is important to note that while standards play a supporting role in providing a consistent framework for design, implementation and ensuring safety, they also must be set within the existing regulatory framework from a neutral stand point.

Given this transformation of emerging technologies and the availability of new products in the market, the development of technical standards is necessary and should be adopted by the market to ensure that the quality, performance and safety of these technologies and products are not compromised. In addition, there should be consensus-based support across the industry to develop any standard relevant to this area.

In regards to identifying areas for future standards development, the Energy Council is generally supportive noting the value of standards in this industry. However, the development and implementation of standards, in an environment where there are emerging technologies, may restrict innovation with regards to upcoming technologies and process.

To assist in identifying these areas, AEC would be happy to assist Standards Australia in the development of a set of criteria to help determine when a new or revised standard development process may be timely. For

example, where it would reduce the risk of the emergence of new technologies or business models driving jurisdictions to develop their own regulatory regimes. This could lead to a fragmented regulatory framework, whereas an up-to-date Australian standard could assist in harmonising the regulatory framework by providing a relevant benchmark.

In addition, the identification and development of standards should recognise the significant shifts in the way energy services are delivered. Business models and traditional supply chain roles may change with the emergence of new technologies. Consequently, standards should be designed to be neutral to the different elements of the supply chain and/or different business models. For example, energy storage and distributed energy co-ordination, could be utilised for providing wholesale/ancillary services, rather than purely transmission and distribution services. Assets that provide these services may not be owned or operated by network businesses. Therefore, it is necessary that the framing of standards doesn't create barriers for competitive businesses offering new services and products.

In relation to standardising with international standards, it is important to note Australia's energy system and geography are unique, and it may not always be possible to align with international standards. That said, to ensure Australia is aware of developments in the international arena, efforts on developing greater linkages with international standards development is supported.

The Energy Council supports Standards Australia through participating on various committees providing industry knowledge and contributing to the development of standards. We also support equal representation from the energy supply chain on Standard Australia committees to ensure that standards are developed in a transparent and consultative manner that promote customer choice and a net benefit to Australia.

Any questions about our submission should be addressed to Carly Weate, by email to carly.weate@energycouncil.com.au or by telephone on (03) 9205 3107.

Yours sincerely,



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