Our ref : 00561782

Dr Kerry Schott

Energy Security Board

Level 15, 60 Castlereagh Street

Sydney NSW 2000

Dear Dr Schott,

# Energy security board governance of distributed energy resources (der) techinal standards – consultation paper

Energy Policy WA welcomes the opportunity to respond to the Energy Security Board’s (ESB) *Governance of DER Technical Standards* consultation paper.

Energy Policy WA agrees with the intent of the changes proposed by the ESB.   
We consider the creation of a DER Standards Governance Committee (Committee), whose functions include the development of a national vision for DER technical standards, could play a very important role.

As the energy transformation underway continues, a nationally consistent approach to the treatment and integration of DER to the benefit of all network users will be increasingly necessary. As you will be aware, the DER Roadmap published in April 2020 embodies the Western Australian Government’s vision for DER being “a future where DER is integral to a safe, reliable and efficient electricity system, and where the full capabilities of DER can provide benefits and value to all customers”.

Energy Policy WA understands that the proposed approach, including the establishment of the Committee, and development and publication of DER technical standards, is similar to that of the Reliability Panel under section 38 of the National Electricity Law (NEL). These arrangements allow the Panel, among other things, to determine power system security standards for the National Electricity Market and publish those standards outside of the National Electricity Rules (NER) as separate documents on the Australian Energy Market Commission’s website.

Notwithstanding our understanding of the desired outcomes, Energy Policy WA is concerned that any new obligations created under either the NER or NEL will only apply to participating jurisdictions. As Western Australia is not a participating jurisdiction for the purposes of the NEL, any standards developed and published by the Committee in accordance with the proposed Rules would not automatically apply in Western Australia, and a separate mechanism would be required for Western Australia to give effect to the standards.

Energy Policy WA also understands that the proposed arrangements would operate in addition to the existing standards setting processes by Standards Australia.

These issues detract from the intent of the ESB’s proposal to create a framework for nationally consistent DER technical standards.

We understand that any standards published by the Committee are intended to be an input into the Standards Australia process the next time it undertakes a review. As such, they are a legally enforceable placeholder until such time as they are incorporated into the applicable standard. However, given that the governance arrangements for these two entities are different, there is a risk that the standards developed by the Committee and Standards Australia could diverge. It is not clear from the proposal how this risk of divergence would be minimised and managed.

Energy Policy WA considers that more heavily leveraging existing arrangements would lead to better, more consistent outcomes. That is, the Committee develops the long‑term vision for DER technical standards and its various sub-committees develop the relevant standards in consultation with industry, but that these standards are ultimately published by Standards Australia.

Energy Policy WA agrees with the ESB that the Standards Australia standard setting process is relatively long. However, this is to be expected as Standards Australia relies on expert volunteers from across the sector to develop and publish the standards. We recommend that the ESB explore ways to better fund the development of standards through Standards Australia, including accelerating the development of standards and integrating the processes of the Committee with those of Standards Australia.

Energy Policy WA looks forward to continuing its engagement with the ESB on this important matter, to ensure that the governance arrangements ultimately developed for DER technical standards will enable the development and implementation of standards are nationally consistent and can apply across all Australian jurisdictions.

Yours sincerely

KATE RYAN

EXECUTIVE DIRECTOR

ENERGY POLICY WA