

**Senate Select Committee on Electricity Prices – Department of
Resources, Energy and Tourism responses to questions from the 9
October 2012 Public Hearing**

- *Committed to providing more information on the rule change process from ClimateWorks and Seed Advisory and the Property Council of Australia and the process of getting medium sized generators, whether they are individual or aggregate, connected to the grid.*

The Australian Energy Market Commission (AEMC) Demand Side Participation Stage 2 final report (<http://www.aemc.gov.au/Market-Reviews/Completed/review-of-demand-side-participation-in-the-national-electricity-market.html>) found that the rules for connection processes do not appear to be a significant barrier but supported the work being undertaken by the Ministerial Council on Energy to create a national framework for distribution connections, including provisions to streamline the process for small embedded generators. The AEMC noted that the flexibility afforded distribution companies in determining minimum technical standards is causing delays and increasing costs for embedded generators and recommended that the Reliability Panel consider further the appropriate minimum technical standards for embedded generators as part of its *Technical Standards Review*.

The Ministerial Council on Energy responded, accepting these recommendations (p 8 http://www.ret.gov.au/Documents/mce/_documents/2010%20bulletins/No.%20181%20-%20MCE%20Response%20-%20AEMC%20DSP%20Stage%202%20Report.pdf) and has subsequently completed the work to create a national framework for distribution connections (part of the National Energy Customer Framework: new chapter 5A of the National Electricity Rules - summarised at <http://www.mce.gov.au/dsp/ncf-elec.html>).

In addition, connection process and technical standards issues are the subject of a rule-change proposal from ClimateWorks, Seed Advisory and Property Council of Australia, which is currently being considered by the Australian Energy Market Commission (<http://www.aemc.gov.au/Electricity/Rule-changes/Open/connecting-embedded-generators.html>).

- *Committed to provide a reference to the Power of Choice review regarding the implications of the cost of battery storage decreased at a similar rate to that of solar panels in the past few years.*

In the Power of Choice review public forum on 19 April 2012, Mr James Bondio, Business Manager Alternative Energy Solutions, Ergon Energy, presented on supply chain interactions. As part of the framing thoughts, Mr Bondio's presentation stated that "the regulated supply chain will have competitors - critical path is the price of storage", and noted the experience of declining costs of solar PV: <http://www.aemc.gov.au/Media/docs/Ergon-Energy-Presentation-1742db1b-426a-4e73-8430-526dc019b964-0.pdf>.

- *Committed to provide the review of smart grid standards.*

As a component of the *Smart Grid, Smart City* project, the department commissioned Standards Australia to produce a Standards Roadmap for smart grids. This is published at

<http://www.standards.org.au/Documents/120904%20Smart%20Grids%20Standards%20Road%20Map%20Report.pdf> .

- *Committed to provide information on the obligations a retailer has with regard to a change to a customer's tariff under the National Energy Customer Framework.*

The National Energy Retail Rules, which are the set of rules that underpin the National Energy Customer Framework, state that a retailer must give notice to the customer of any variation to the tariffs and charges that affects the customer, and that the notice must be given as soon as practicable, and no later than the customer's next bill. These provisions cover both market and standard retail contracts.