



## THE SENATE

### Senate Economics References Committee

#### Inquiry into residential electrification

#### Answers to questions on notice from Ausgrid, asked by Senator Bragg at a public hearing in Canberra on 22 November 2023

(Received 6 December 2023)

#### Question

**CHAIR:** Yes, that's right. Can I also ask you about rooftop solar. As a percentage of total applications to connect rooftop solar, how many applications do you currently decline due to distribution network constraints?

**Mr England:** Do you know, Alex? I don't think it's many.

**Mr McPherson:** Yes, I wouldn't imagine many, but we might take it on notice.

**Mr England:** We can check and give you the actual data if you like, but it's very few. We'll connect them. I think what tends to happen is that they get connected but they're not necessarily operating at their full capacity. That's a problem for the customer, and that's where grid storage will help enable that to operate more efficiently.

*(Proof Committee Hansard, p. 15)*

#### Answer

In FY23 Ausgrid received 39,561 rooftop solar applications. None were declined.

#### Question

**CHAIR:** Are you planning to apply to the AER to make distribution [inaudible] investments to enable all rooftop solar where there are constraints?

**Mr England:** Yes, we are working through ARENA funding at the moment for some batteries, where we believe that could help alleviate some constraints. We need to prove the model that a community battery on the distribution network can engage a customer and enable more solar, absorb solar where it's already highly concentrated and create a more efficient system overall.

**CHAIR:** What [inaudible] costs associated with that?

**Mr England:** Sorry, can you repeat the question?

**CHAIR:** I was just wondering what sort of costs you might have forecast for that kind of investment.

**Mr England:** So the rough numbers are that, if you put a battery in your home today, it's

going to cost you about \$1,200 per kilowatt hour, whereas, if we put a battery into the network and offer you the storage capacity from your home for that battery, it's going to cost \$400 to \$500 per kilowatt hour. So it's about 2 ½ times less. The question is about how—and maybe this is where you're heading, Chair—at the moment, as a distributor under the regulatory rules we work within, we are not allowed to go in and store batteries in our network without a specific waiver for a specific battery. So we're working through the ARENA funding at the moment to enable that, and we get special waivers from the AER. But, if Ausgrid wants to go and roll out a significant amount of storage in our network today, we wouldn't be able to do that within the current regulatory framework.

**CHAIR:** I was just wondering what your costs were there, other than the consumer costs. Maybe you could take that on notice.

**Mr England:** Yes, sure. We can provide the costs for batteries—it's just the costs of the batteries in the install—but our point is it's a lot cheaper than doing it in your home.

*(Proof Committee Hansard, p. 15)*

### **Answer**

The costs associated with Ausgrid's community batteries under the government's existing grant model include: the unit cost of the battery and associated equipment, installation costs including labour, and ongoing operation and maintenance costs. Specific figures are commercial in confidence.