



19th January 2024

Mark Feather, General Manager
Strategic Energy Policy and Energy System Innovation
Australian Energy Regulator

Via email: AERinquiry@aer.gov.au

Draft Export Limit Interim Guidance Note

Dear Mark Feather,

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback to the Australian Energy Regulator (AER) Draft Interim Guidance Note on Export Limits (Guidance Note).

The CEC is the peak body for the clean energy industry in Australia. We represent and work with Australia's leading renewable energy and energy storage businesses, as well as accredited designers and installers of solar and battery systems, to further the development of clean energy in Australia. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

Flexible export limits provide the opportunity to manage network capacity, maximising the ability of the network to carry local generation, whilst reducing the need for investment in poles and wires. The CEC is supportive of the work being produced by the AER to create clear guidance on expectations required by Distribution Network Service Providers (DNSPs) for successful flexible export uptake by consumers. This Guidance Note highlights the need for ongoing network monitoring, modelling and data investment by DNSPs.

Key Points for Consideration

Assessment Frameworks for the Guidance Note

The purpose and scope of the Guidance Note clearly outlines policy objectives, design principles, expectations and 'guard rails' for the development and use of flexible export limits by DNSPs. However, the proposed Guidance does not use an overall evaluation criterion to assess a consistent set of outcomes to be achieved from flexible export limits as a service offering and resilience measure. **It is**

our recommendation that the AER develops an overarching assessment framework for making final decisions in the Guidance Note, promoting efficient investment, operation, and long-term customer benefits.

This would operate similarly to the National Electricity Objective (NEO) as stated in the National Electricity Law (NEL). We would also recommend the AER seek to align flexible export limits outcomes with the newly created NEO objective of reducing greenhouse gas emission reduction targets.¹

The Guidance Note Consultation Questions seek to define appropriate timeframes around allocating hosting capacity and allocation models, this could be achieved through the implementation of an overarching assessment framework that includes assessment against emissions targets. Hence, timeframes proposed by DNSPs would require a rationale addressing defined objectives, to be evaluated by the AER. This assessment process should be developed and undergo consultation prior to the publishing of the final Guidance Note to ensure the framework is a foundational part of the industry's approach to flexible exports.

Integration with Principle 2 of the Flexible Export Limits Final Response

Consultation undertaken by the AER in 2023 demonstrated the need for transparency, prioritisation of consumer awareness and clear dispute resolution pathways. The Flexible Export Limits Final Response proposed three priority principles aimed at addressing gaps in the regulatory framework. Whilst the interim guidance clarifies design principles, this should have occurred concurrently to the second principle – *improving the provision of information to electricity consumers on flexible export limits*. **It is our recommendation that the second principle be developed as complementary material to this Guidance Note, encouraging both these reforms to occur simultaneously.**

This approach ensures both bodies of work can reference each other and align on key priorities. Currently, the improved provision of information is set to circulate after the establishment of the final Guidance Note. This reduces the opportunity to create strong links to the second principle throughout this document, particularly when addressing consumer understanding, awareness, and engagement, as well as clearly articulating the roles and responsibilities of market participants, including DNSPs, with respect to communicating how and why flexible exports impact consumers' decision on the type of connection they choose.

¹ [National Energy Objectives | AEMC](#)

Flexible Imports

Whilst the CEC acknowledge this Guidance Note addresses only flexible exports, we believe there is a lesson to be taken from the current material to be applied to flexible imports. Our primary concern is this Guidance Note is attempting to address a service offering that is already publicly available, prior to the initiation of a Rule Change proposal. Whilst we agree that flexible exports are a more persistent priority, flexible imports are fast approaching and already explicitly enabled through CSIP-Aus. Further exposure is expected once the initiation of the CSIP-Aus Handbook into a formal Standards Australia Handbook is completed. These changes allow DNSPs to introduce import controls, without any pre-existing regulation or governance. **It is our recommendation that the AER make a clear statement that until the DEIP concludes their assessment on flexible imports, no actions should be taken by DNSPs.**

This statement should be clearly released by the AER and highlight the need for more information surrounding consumer benefits and costs prior to the introduction of flexible imports. As this Guidance Note seeks to catch up on work progressed in the industry, this recommendation provides an opportunity for the AER to be ahead of the curve with respect to flexible imports.

Roles & Responsibilities

The governance arrangements of flexible exports are a recurrent omission throughout this Guidance Note. The CEC has highlighted several times through this submission the need for a separate body of work outlining the roles and responsibilities across DNSPs, retailers, installers, original equipment manufacturers (OEMs), aggregators, and consumers. Governance frameworks are particularly relevant for flexible exports due to limited consumer interaction with DNSPs and the need to prioritise clear pathways to which market participant is responsible in supporting consumers with understanding the impact of flexible exports. **It is our recommendation that the roles and responsibilities are determined in a detailed document, that succinctly defines a successful customer resolution pathway and engagement process.**

This directly ties into the priorities expressed by the Energy and Climate Change Ministerial Council (ECMC) for the establishment of roles and responsibilities relating to consumer energy resources (CER) in 2024. Once developed, this body of work should be incorporated into the final Guidance Note and form the basis of the rule change proposal. These additions are believed to have the best outcomes for navigating negative customer experiences and improving consumer awareness relating to flexible exports.

We offer the above recommendations as a means of improving the impact the proposed Guidance Note will have in supporting and building consumer trust in flexible exports. We are supportive of the development and publishing of interim guidance, capturing our recommendations and view this an important step in securing the best practice implementation of flexible exports.

If you have any queries or would like to discuss the submission in more detail, please contact Con Hristodoulidis at christodoulidis@cleanenergycouncil.org.au.

Kind regards,

A handwritten signature in black ink that reads "CHristodoulidis". The signature is written in a cursive style with a large initial "C" and "H".

Con Hristodoulidis
Director, Distributed Energy

Response to AER Consultation Questions

Capacity allocation principles

What are your views on the AER’s proposed approach for amending the DEIP capacity allocation principles? Do you have any specific views on the nature of amendments required to achieve the AER’s policy objectives?

The CEC supports the amendment of the current DEIP capacity allocation principles. We appreciate and understand at this early stage of development of flexible exports, the broad nature of the principles provides the industry with the flexibility to determine capacity allocation and adjust as the market develops. However, it should be noted the current nature of amendments which allows the principles to remain broad also carries risks, including leaving interpretation of capacity allocation open to the DNSP and potentially causing issues in consistency of application.

We support the suggested amendments to both principles 1 and 2. However, the AER needs to consider the importance of customer awareness and understanding within the principles.

Whilst transparency addresses the availability of information for the customer, DNSPs should be required to convey capacity allocation in a clear and simple form to all customers. As outlined in the AER’s Flexible Export Limits Final Response, *improving the provision of information to electricity consumers on flexible exports* is a key priority². Hence, it is important to develop the Guidance Note to complement customer ease and transparency, with these two bodies of work being considered hand in hand. It is our belief the AER’s work on *improving the provision of information to electricity consumers on flexible exports* should be produced simultaneously with this Guidance Note, and references to that priority should be more clearly outlined throughout this document. This will ensure the AER provides guidance not only on capacity allocation principles but how they expect DNSPs, and other market participants, to fulfill their obligations around ensuring consumers have access to transparent and easy to understand information on how flexible exports impact their purchase decisions with respect to behind the meter products and services.

Should the capacity allocation principles be binding, and if so, should these be codified in the National Electricity Rules or set out in a binding AER Guideline?

² Page ii, [Report template \(aer.gov.au\)](#)

The CEC supports the capacity allocation principles being binding to promote greater adherence to transparent and fair capacity allocation by DNSPs. However, we also support that the principles should be subject to future review, with the opportunity to adapt in changing market conditions. This process will ensure that any challenges or issues arising during implementation can be appropriately addressed and remedied. If the DNSP does not want to adhere to the capacity allocation principles, the provision of a business case to the AER should be submitted, outlining the rationale and consumer benefits of not adhering to the principles. The AER is then able to undertake public consultation to determine approval.

Further, the CEC recommends that whilst the rule change proposal is being established, the AER should ensure the capacity allocation principles are binding through an opt-in public commitment made by each network. This will ensure transparency regarding which DNSPs are abiding and adhering to the recommendations outlined in the Guidance Note. The AER has precedence of seeking public commitments from market participants to voluntary Guidance Note they have previously released. For example, the AER required public commitment from retailers to the AER's Sustainable Payment Plan Guidance. The AER listed all retailers on their website the retailers who committed to adhere to the Guidance note. The AER should adopt the same approach with this Guidance note.

Capacity allocation methodology

What are your views on our proposed approach for improving transparency in DNSPs' capacity allocation methodologies? Is the guidance provided sufficiently targeted and proportionate for achieving the AER's policy objectives? Are there any other areas where further guidance is required?

The members of the CEC have indicated that more clarity is needed to outline how each DNSP will work to achieve a nationally consistent approach to determining capacity and allocation. The AER should serve as a single point of reference for DNSPs when referring to good practice capacity allocation methodologies. If DNSPs want to use a different methodology of capacity allocation due to location, uniqueness of their network and level of sophistication of understanding of constraints, they should make a request to the AER on the proposed methodology. The final methodology should be publicly available on both the DNSP and AER websites. The current guidance provided does not appear to be sufficient for achieving the AER's policy objectives due to a lack of required adherence to the Guidance Note for DNSPs.

Examples of good practice in current capacity allocation (e.g. SA Power Networks Model) should be included to provide guidance that aligns with current industry standards and avoids unnecessary investment from DNSPs to develop an entirely original approach. The SA Power Networks Model demonstrates good practise through two-way communication and co-designing with market participants

and consumer groups, two-way communication and co-design should be highlighted within the Guidance Note to encourage these practices from DNSPs with capacity allocation methodologies.

Additionally, the most constrained networks already undertake the best modelling and data analysis, hence should be used as a starting point when developing capacity allocation methodology. Additionally, the work of NEARA³ surrounding 'digital twins' and network digital modelling could be considered to assist DNSPs in their development of capacity allocation methodologies. The 'digital twin' currently focuses on the visualisation of distribution network structures (e.g. poles & wires) yet network investment could develop this technology to identify areas of constraint and allocate capacity accordingly.

Whilst we are supportive of the proposed requirements regarding capacity allocation consultation in the Guidance Note, further instruction should be provided regarding 'good practice' consultation with customer and industry stakeholders. DNSPs should seek to undertake engagement beyond binary selection processes (e.g. select the model you would prefer), alternatively consultation should provide stakeholders the opportunity to raise concerns and adjustments to the proposed methodology.

What areas of the National Electricity Rules and National Energy Retail Rules do you consider will likely require amendment to give effect to the AER's proposed approach for improving capacity allocation methodologies and transparency?

The CEC agrees with the suggestion from the AER to create amendments to Chapter 5 & 6 of the National Electricity Rules to improve capacity allocation methodologies and transparency.

The following sections from Chapter 5 & 6 have been identified as requiring consideration for amendment:

Chapter 5

- Part B - Model Standing Offers.
- Part F - formation and performance of connections contracts.
- Part G - resolution of disputes between distributors and retail customers.

Chapter 6

- Part B - conferral of power on the AER to classify distribution services.
- Part E - procedure and approach for the making of a distribution determination.
- Part G - distribution consultation procedures.

³ [Renewable Energy & Decarbonization | Neara](#)

- Part M - disclosure of transmission and distribution charges.
- Part O - annual benchmarking reports.

Given the AER is the regulatory authority to issue a guideline as opposed to a Guidance Note, this should not prohibit their ability to change and adapt the guideline as the market adapts.

What time periods should DNSPs consider in allocating network hosting capacity? For the allocation model, over what timeframe should capacity allocation be considered?

Time periods should be balanced with the need to reduce complexity for the customer and promote consumer choice and participation. The CEC believes allocation should be ongoing for the lifetime of the system, reducing the need for updates to connection agreements for existing customers. However, access to regular appraisal of capacity allocation should be accessible to ensure customers are not experiencing curtailment longer than necessary. This could take the form of consumers opting-in to renegotiate their connection agreement over specific intervals (e.g. every 5 years) throughout the lifetime of their system.

Additionally, it would be preferable if DNSPs adhered to nationally consistent timeframes when determining network capacity allocation. Monitoring should occur throughout the early stages of flexible export limit development and implementation. This ensures clear transparency in the determination of limits and how those limits may be modified over time by the DNSP. The AER should also consider questioning how will DNSPs will meet NEO objectives when determining time periods. As drawn-out time periods may constrain renewable generation or storage, DNSPs should demonstrate how they are meeting these objectives when justifying timeframes.

Consumer Energy Resources Integration Strategy

What are your views on the nature of changes required to address the issues identified in the problem statement and promote the AER's intended policy outcome?

It is a reasonable change to require DNSP capacity allocation methodology in their CER integration strategy, yet this information should be publicly accessible and designed with non-technical audiences in mind.

The CEC supports the inclusion of clarity for customers detailing how export limits interact with two-way pricing, noting limited consumer understanding surrounding both policies. Within the Guidance Note, the AER should provide specific examples of best practice industry and community consultation communicating the interaction between the two concepts. The CEC believes the primary focus (when

communicating the concepts) should be the ongoing ability and choice for customers to maximise their use or storage of generated solar, promoting best environmental and industry results.

Developing flexible export limits business case

What should be considered the minimum level of information in relation to hosting capacity assessment that networks should provide during their regulatory determination?

The AER should encourage independent verification on the DNSPs network hosting capacity assessment, with several criteria required to create a minimum level of acceptable information provided.

The basis of this criteria could centre around the following principles:

Customer Benefits

- The dynamic export model should provide net positive customer outcomes.
- A potential method for monitoring would see the AER utilise their Export Services Performance Report to calculate and report on customer outcomes from those participating in flexible export arrangements.

Suitability of Model

- The appropriateness of the methodology to assess network hosting capacity should be included and based on the DNSPs existing capabilities.
- Supporting evidence should be supplied to justify the selected model.
- Completion of consultation with market participants and government DER policy to ensure the design is compatible with other broader market and consumer products and services, arising through the update of DER.

Additionally, the CEC supports the inclusion of potential additional options for managing network capacity, as summarised in Figure 6 of the Guidance Note. This should further encourage DNSPs to manage network capacity according to a hierarchy of functions, utilising voltage management and cost reflective pricing prior to curtailment. When reporting, the DNSP should share whether other approaches to managing network capacity, such as tariffs, were a credible option and any costs differences between the various approaches. This could be supported with rationale behind the decision to implement curtailment, including studies on the viability of alternative management options, activities, and customer feedback.

What are best practice measures networks can adopt when it is difficult to perform hosting capacity assessments?

Whilst there are inconsistencies nationally regarding accessibility of data and smart meter deployment, these obstacles should encourage investment in technology to reduce the difficulty of hosting capacity assessments in some regions.

Data sharing is one potential approach that could result in higher visibility for DNSPs. As previously outlined, NEARA's work on implementing 'digital twins' could be applied to hosting capacity assessments by overlaying constraints to this data mapping. Shared 'digital twins' between DNSPs would allow a greater understanding of regions and provide a holistic overview of hosting capacity in difficult to assess areas.

Additionally, the AEMC Final Metering Review Report⁴ has put forward 21 key recommendations to streamline the smart meter installation process and unlock benefits from smart meter data and services. The recommendations in the report with respect to data sharing arrangements are aimed at enabling greater network visibility for DNSPs, to support the effective implementation and management of flexible exports. Therefore, allow more CER to connect and export without unnecessary curtailment.

What are your views on whether the AER should expand the guidance within our DER integration expenditure guidance note?

As the aim of the DER guidance note is to encourage expenditure to accommodate DER in a consistent and transparent manner, expansion of the expenditure guidance to encompass best practice surrounding flexible exports would reflect some of the key aims of this note. In particular, the expenditure guidance note seeks to ensure customers to only pay for network investments that deliver them benefits, hence when DNSPs invest in hosting capacity technology, direct linkage to expected customer benefits would be required.

Connection policy

Has the AER identified relevant issues and matters relating to export limits (static and flexible) that should be addressed in DNSPs' connection policies? Are there any matters that need to be added or removed and if so, why?

⁴ [Metering review \(aemc.gov.au\)](https://www.aemc.gov.au)

The requirements for disclosure included by the AER appear to identify all relevant issues relating to export limits (static and flexible). It is our opinion these may need to be subject to review as best practice outcomes emerge over time, ensuring DNSPs are appropriately reporting on their adherence to these expectations.

One additional point for consideration occurring outside the integration of flexible export operation, relates to low consumer comprehension of connection policies. Hence, there is a potential risk that an additional party outside DNSPs will be responsible for handling customer issues arising from circumstances outlined in the connection policies. To best address this issue, the AER should produce a standard connection policy that outlines minimum standards for DNSPs to use, ensuring consistency for customers. If a DNSP is wanting to develop additional standards over and above the minimum due to factors such as their geographical area or whether contestable services for connections services exist, this would require assessment and approval by the AER prior to implementation and a clear and simple statement as to the variation. This should be posted on both the DNSP's and AER's websites, this would enable the additional party to source the relevant information and share with the customer(s).

What are your views on the AER's proposed implementation approach of seeking amendments to provisions in the National Electricity Rules governing matters addressed by the AER's Connection Charging Guideline to implement our draft position?

The CEC supports the AER's approach to amend provisions in the National Electricity Rules.

The CEC also recommends a review of the Export Services Network Performance Report to amend and align right performance data relating to network participation with the Guidance Note. This will ensure changes resulting from the introduction of this Guidance Note are correctly reported on and relevant information is being captured. An example of one of the reporting scores could be the inclusion of DNSPs that have and have not made a public commitment to adhere to the principles and scope of this document.

Connection agreements and consumer participation

Model Standing Offers

What are your views on the key areas identified by the AER as needing to be addressed in the terms and conditions of connection agreements that include flexible export limits? Are there any areas that should be included, removed, or further clarified, if so, what are these?

The CEC supports the terms and conditions outlined by the AER in Table 4. These all address the need to enhance customer interpretation and stress the importance of a clearly defined customer dispute process. This reduces the risk of a negative customer experience due to discrepancies in the service offering, particularly when first establishing flexible export offerings. Moreover, it is important to recognise that dispute resolution may become the responsibility of the solar retailer/installer, due to primary interaction with the customer. This highlights the need for DNSPs to provide readily accessible information regarding Model Standing Offers to best support customer queries. This process could be facilitated by the AER, further creating a single point of truth and information regarding flexible exports.

Additionally, the CEC believes that other regulatory documents and network service installations rules and manuals with the potential to impact Model Standing Offers need to be considered by the AER. When considering documents with multiple version numbers, such as electricity connection service rules and manuals, the Model Standing Offer currently does not explicitly state that the release of a new version would trigger a review of the Model Standing Offer by the AER. The CEC believes the rules need to be updated to include a provision for materials that directly impact the Model Standing Offer and therefore the Guidance Note, should be subject to formal AER review to ensure the proposed changes to the service rules and manuals are consistent with and do not contradict the guidance.

To further support this process, once the Rule Change process is undertaken, amendments should be made regarding the review of Model Standing Offers. This would specifically include 5A.B.2 and 5A.B.6, encompassing both the requirement for DNSPs to submit Model Standing Offers and the review and approval process undertaken by the AER. These updates would prevent the unintentional circumvention of this Guidance Note through reference documents and ensure reviews of Model Standing Offers are triggered.

Should DNSPs have a positive obligation to notify consumers of non-compliance with flexible export limits once becoming reasonably aware?

The CEC supports the need for DNSPs to both have a positive obligation and clearly outlined role of responsibilities relating to interaction with customers. The division of roles and responsibilities relating to flexible exports should be defined well before customer communications processes are development, reducing the likelihood of negative customer experiences.

This process ensures DNSPs are not exempt from resolution of non-compliance due to satisfying their requirement to notify a consumer. The creation of a roles and responsibilities document would highlight a clear pathway to resolving issues, minimising the risk a customer is directed between different parties to address their issue. The publishing of a separate piece of work defining the roles and responsibilities relating to flexible exports would further progress the goals outlined in the ECMC November 2023

meeting. These aim for the development of a National Consumer Energy Resources Roadmap and national approach to technical regulatory standards through the establishment of roles and responsibilities relating to CER in 2024.⁵

Should the connection agreement include provisions for amending or seeking a review of the flexible export limit? What do stakeholders consider an appropriate minimum timeframe and circumstances for flexible export limits to be amended, while still providing investment certainty to consumers who invest in CER?

The CEC recommends that customers should have the ability to opt-in to amendments made but DNSPS should not be able to alter the connection agreement for any amendments post the installation and for the life of the customers' asset. The establishment of a connection agreement that will be honoured for the life of an asset reduces risk and develops trust between the customer and DNSP. A potential exception to this approach should be considered in the circumstance that the customer retains greater benefits from an updated connection agreement. As is currently the case, this would need to be accepted on the basis of a 100% guarantee of increased benefits and the opportunity to revert to a previous agreement if the conditions are not met.

With reference to the criteria for AER approval of Model Standing Offers under Chapter 5A of the NER, what are the key issues the AER should consider in relation to flexible export limits?

Key considerations relating to Chapter 5A of the NER are outlined above.

What are your views as to whether the AER should seek such a rule change regarding Model Standing Offer and connection policy requirements?

Key recommendations relating to rule change requirements to Model Standing Offer and connection policy are outlined above. The CEC supports the undertaking of a rule change, and it was our preference that this would have been initiated prior to the establishment of a Guidance Note. In the current circumstances, it is our belief that DNSPs should publicly commit to the adherence of the Guidance Note, with the AER publishing DNSPs who have publicly committed to use the Guidance Note. This could be modelled off the Sustainable Payment Plans Framework, in which the AER provided a current list of retailers that had adopted the framework relating to financial hardship.⁶

⁵ https://www.energy.gov.au/sites/default/files/2023-11/ECMC%20Communique_24%20Nov%202023.docx

⁶ [Sustainable payment plans framework | Australian Energy Regulator \(AER\)](#)

Information to help consumer decision-making

Is there any additional information DNSPs should provide consumers to enable them to make an informed decision about whether to opt-in to flexible export limit arrangements?

The CEC is supportive of the key areas requiring customer uplift, as customer understanding remains a central issue in the uptake of flexible export offerings. This further highlights the importance of a separate body of work highlighting roles and responsibilities for DNSPs, installers, retailers, and OEMs, as the onus to train and convey issues to customers most often will not fall on the DNSPs.

It is our recommendation that the AER reiterates this information, promoting accessibility for customers to improve transparency and build consumer confidence. We suggest that the AER develop an online one stop shop for consumers in the form of a website, modelled off Energy Made Easy.⁷ Consumer Energy Resources Made Easy (CERME) would assist customers making purchases or changes relating to their CER products and services by offering comparison of different export services (and other services) through a free, independent government service. This is best enacted whilst there is small market penetration and allows for the website to build improved capability as the market upsizes. The use of a website will allow greater access in regional areas and form a point of contact for customers with limited relationships with their DNSPs, retailers or installers.

Is the AER's expectations of information DNSPs should make available to consumers to promote informed decision-making and consumer confidence in the operation of flexible export limits reasonable and fit-for purpose? Are further changes required to better achieve the AER's intended policy outcomes?

The CEC has provided commentary above on options the AER can consider adopting as part of the Guidance to further improve consumer comprehension and confidence in the operation of flexible exports. We also support continuous review in the early stages and as best practice cases emerge and greater customer opt-in is observed. Once again, this is an area the CERME website could be utilised, relating to warranties and clearly defined pathways for dispute resolution.

⁷ [Energy Made Easy](#)

Subsequent implementation

What are your views on the need to amend relevant provisions in Chapter 5A of the National Electricity Rules to provide greater clarity on the need for Model Standing Offers to include specific terms and conditions that address issues relevant to flexible export limits?

As outlined above, the CEC supports the Rule Change to create a regulatory rather than voluntary requirement for adherence by DNSPs.

Consumer and industry engagement

What additional engagement or information do you consider DNSPs should undertake or provide to ensure consumers are well-informed in the decision-making process and continue to be engaged throughout the later stages of the customer journey?

The most key component of DNSP engagement will come from provision of clear and simple information that can be passed onto consumers and other market participants with direct relationships with consumers. This could include consistent and accurate information regularly uploaded to the CERME website, following a uniform format that allows customers to easily compare DNSPs. As previously outlined, performance against the Guidance can also be reported by the AER through the Export Services Network Performance Report.

What are your views on what effective engagement looks like between DNSPs and relevant industry stakeholders?

The CEC believes effective engagement and consultation should be primarily based on the principles of ideation, co-design, collaboration, knowledge sharing and two-way communication. DNSPs should seek to undertake co-design that genuinely allows and draws on industry and consumer experiences. As previously discussed, we believe SA Power Networks DER Integration Working Group provides a good basis to explore effective engagement practices in the Guidance Note.

The establishment of Working Groups should seek to promote a cross-section of expertise and experience, creating genuinely collaborative workspaces. As outlined above, these should go beyond binary selection processes, allowing issues and requirements to be brought forward organically by industry, without pre-conceived objectives running the session.

The AER can seek to play a role in effective engagement through the monitoring of network consultation with feedback from industry bodies and consumer groups. This allows reporting over the effectiveness

of the industry engagement, rather than just occurrence. This would see the AER set up principles relating to effective engagement in this Guidance Note, requiring DNSPs to adjust their engagement methodology to meet these outcomes.

What, if any, additional information (other than what is outlined above) should DNSPs seek to provide to industry stakeholders?

The CEC supports the overview of industry engagement topics presented in Table 6. As previously stated, it is our expectation that DNSP engagement will take place prior to designated outcomes and selection processes. Therefore, we recommend industry engagement should occur throughout the design process and prior to finalisation of implementation.

Which stakeholders should be responsible for conveying information to consumers at each step of the consumer energy resources journey?

As previously indicated, this information should be conveyed through a separate body of work relating to roles and responsibilities. The scope of involvement of different stakeholders and risk of negative customer experiences due to lack of understanding indicate the need to produce this document separate to the Guidance Note. It is our belief that including this information within the Guidance Note will not provide the distinctive understanding and outreach to relevant stakeholders that an individual piece of work would achieve.

Additionally, the implementation of a CERME website would assist in conveying information to consumers whilst this body of work is being produced.

Compliance with technical standards

Should DNSPs be required to demonstrate the compliance actions that they have taken when putting forward expenditure proposals?

Whilst DNSPs should be undertaking compliant actions, management of compliance should arise from the national co-ordination of technical standards body as proposed by the ECMC in 2023. The overseeing of technical standards by a singular body relieves the need for multiple separate processes to be developed by each network when demonstrating compliance actions. The upcoming implementation of a national approach to technical regulatory settings could be outlined in this Guidance Note, highlighting the importance of compliance. This would allow greater clarity over expectations of compliance and avoid issues seen with current inverter compliance rates.

The experience with 4777.2:2020 compliance is a stark example of ensuring we urgently implement a National Technical Standards body that outlines roles and responsibilities of the various market participants.

What are appropriate processes for DNSPs to go through if a consumer asset is identified to be non-compliant with a relevant technical standard? For example, should a customer be reverted to a static export limit (note: this would only occur after a period where the DNSP and retailer have communicated with the customer to rectify the problem)?

Prior to the development of processes for DNSPs to enact in the case of non-compliance, roles and responsibilities need to be more clearly established to determine how notification of the issue and resolution will occur. This alleviates the need for post event voluntary actions by industry to solve a problem occurring from lack of clarity around roles and responsibilities (e.g. Project MATCH work undertaken to resolve issues surrounding A/NZ 4777.2 inverter compliance).

Are there examples where government agencies or network businesses are already implementing practical solutions to increase compliance with technical standards?

The CEC is aware of various pieces of work around compliance. Some pieces of work are post the identification of a systemic compliance breach and other pieces are pre the introduction of a new standard. This work includes:

Project MATCH⁸

- Conducted by AEMO since 2021.
- Aims to introduce measures for safe, secure, and reliable power systems relating to DER.

Review of Australia/New Zealand Standard 4777

- Undertaken by Standards Australia 2024, currently open for comment.
- Addresses governance surrounding requirements for grid connected inverters.

CSIP-Aus Handbook

- Undertaken by ENA in conjunction with Standards Australia
- Aims to transform requirements into a standard handbook by Standards Australia

⁸ [Project MATCH - Australian Renewable Energy Agency \(ARENA\)](#)

However, the CEC believes this work is piecemeal in nature and does not deal with the broader policy objective of establishing robust and sustainable role and responsibilities with respect to compliance. The ECOMC November 2023 meeting prioritised the establishment of a National Technical Standards body for the effective integration of CER to the electricity system. The CEC believes this work is critical in setting clear roles and responsibilities. The CEC developed a strawman to the makeup and function of a National Technical Standards Body, which can be sourced in our submission to the AEMC's Technical Standards review.⁹

Complaint handling and dispute resolution

What information should DNSPs collect to facilitate complaints to be resolved?

The CEC believes DNSPs should have readily available information relating to flexible export capacity performance thresholds. This will ensure resolution and verification to be undertaken, allowing identification if the issue is DNSP related or the responsibility of another party. Additionally, customers should have readily available access to their own data and information, empowering them to lodge complaints if export service levels are not being met.

What is the role of DNSPs to co-ordinate complaint resolution, including identifying the responsible party, which may be the OEM, installer, or trader/aggregator?

This question ties into our previous discussion relating to roles and responsibilities. It is also worth considering in the context of broader consumer protection requirements and if the Ombudsman has the jurisdictional power to address complaints with respect to flexible export performance. The CEC believes consumer protection regulations should be applied to dispute resolution by Energy Ombudsman Schemes to flexible export arrangements.

⁹ [15. CEC - Submission to draft report - EMO0045 - 300523 supplementary.pdf \(aemc.gov.au\)](#)