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Department of Energy and Economic Diversification
Energy Policy WA

Submitted via: EPWA-Submissions@deed.wa.gov.au

Clean Energy Council Submission to the Consultation on Electricity System and Market Rules – Distributed Energy Resources – Roles and Technical Requirements

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback to Energy Policy WA (EPWA) on its Consultation Paper on the proposed Electricity System and Market Rules – Distributed Energy Resources: Roles and Technical Requirements.

The CEC is the peak body for Australia's clean energy industry. We work with renewable energy and storage companies, as well as key stakeholders across the National Electricity Market (NEM), to support Australia's transition to a smarter, cleaner and more flexible energy system.

We appreciate EPWA's leadership in clarifying roles and technical requirements to support consumer participation in Consumer Energy Resources (CER) and related services. We also welcome EPWA's intention to promote interoperability through CSIP-AUS and further integrate Distributed Energy Resources (DER) into the WA energy system.

The CEC's *Powering Homes, Empowering People: CER Roadmap*¹ identifies more than \$22 billion of potential value for energy consumers from effective DER integration. The Roadmap sets out five priorities and 16 recommendations to help realise these benefits. Our feedback on the Consultation Paper focuses mainly on two priorities:

1. **Unlocking & Maximising Network Capacity:** Establishing national technical standards governance so products and services deliver on their consumer promise.
2. **Incentives:** Encouraging market-based incentives that create new revenue opportunities for consumers.

From this perspective, we see value in further clarifying the draft DER Rules to ensure communication-layer interoperability and behind-the-meter (BTM) optimisation remain clearly distinguished. Clearer separation will help maintain innovation, customer value and technology neutrality while still achieving EPWA's goals.

We also note that national work on interoperability and behavioural control standards is ongoing through the Energy and Climate Change Ministerial Council (ECCMC) process². Aligning the WA framework with these national decisions will support strong outcomes for WA consumers and reduce unnecessary divergence.

¹ [powering-homes-empowering-people-cer-roadmap.pdf](#)

² [National Consumer Energy Resources \(CER\) Roadmap - Consultation on technical priorities - Department of Climate Change, Energy, Environment and Water](#)

Common Smart Inverter Profile Australia (CSIP-AUS) is widely supported as a communication and visibility standard, including for system security functions such as backstop emergency control and flexible exports. Decisions about behavioural control standards, however, are being progressed nationally. Aligning with this process will help ensure WA benefits from nationally consistent design, a broader innovation pipeline and a clear pathway for future upgrades.

Taking these steps now will help ensure WA's CER framework supports flexible, diverse and innovative DER participation over the long term, while maintaining EPWA's intent to promote customer value and market innovation.

Below, we offer suggestions that we believe will help EPWA achieve its policy objectives, maintain national consistency and support positive consumer outcomes.

Interoperability Must Remain at the Communications

EPWA's Statement on Interoperability explicitly frames CSIP-AUS as a communication protocol standard, not a behavioural control mandate³. However, the draft Rules as currently written risk embedding device-level control via CSIP-AUS (e.g., battery control extensions, setpoints), which goes beyond mere visibility, messaging and system security and reliability.

If CSIP-AUS control functions are enforced in Rules, market participants such as Original Equipment Manufacturers (OEMs) and virtual power plant (VPP) service providers may be forced to implement the same control logic, undermining their own optimisation strategies, product differentiation, and innovation.

Customers may be locked into a single VPP-style control model, limiting their ability to choose alternative aggregators or control strategies.

CSIP-AUS version 1.3 (v1.3) is still under development and not yet nationally finalised⁴. Locking it into regulation now could commit WA to untested or non-harmonised functionality.

CEC Recommendations

- Clarify in the Rules (or via policy guidance) that CSIP-AUS compliance is required only for communication, visibility and system security and reliability (e.g., export monitoring, reporting). It is not for device-level control beyond nationally agreed policy decisions on interoperability.
- The initial implementation does not use the draft CSIP-AUS V1.3 battery extensions. However, Synergy, third party aggregators and OEMs should be free to innovate with an interoperable method for dispatching batteries, with a strong recommendation to build upon and improve the draft battery extensions through the DERIAPITWG process
- Use EPWA's Interconnection Handbook or other technical annexes to define the scope of interoperable functions required, to preserve flexibility for market participants such as OEMs and aggregators.

³ [Statement on Interoperability of Distributed Energy Resources](#)

⁴ [About CSIP-AUS — CSIP-AUS](#)

Neutrality Guardrails for Synergy's Parent Aggregator

The draft Rules position Synergy as the “parent aggregator” for non-contestable customers. Without explicit neutrality guardrails, Synergy risks becoming the de-facto setter of both technical and commercial DER behaviours across WA, especially since the interoperability framework is tied into this role.

This risks a situation whereby Synergy may effectively control how DER behave, setting control strategies, curtailment, or constraints in ways that prioritise its own VPP model. Other third-party aggregators may struggle to compete if Synergy's rules or control logic are set into regulation, disadvantaging alternative offers.

Synergy's VPP control objectives may not always align with optimal OEM behaviour, customer preferences or further VPP market service offering and innovation.

CEC Recommendations

- Include in the Rules clear neutrality requirements for Synergy when acting as parent aggregator. For example, the Rules can state that Synergy should provide non-discriminatory access to its platform for third-party aggregators. It should not enforce a single behind the meter (BTM) control strategy, and it should support customer choice.
- There should be transparent criteria for how Synergy defines and updates control set points or export limits.
- Synergy should also report publicly (i.e. annually) on its aggregator operations, including platform usage, number of devices, control strategies applied and customer opt-in/opt-out metrics.

Governance Framework for Third-Party Aggregators

We believe that the proposed third-party aggregator framework currently does not provide sufficient governance, transparency and accountability mechanisms. Basic guardrails are important elements of the Rules to mitigate against the risk of only a narrow set of business models dominating and therefore limiting innovation. New or smaller aggregators may find it difficult to enter the WA market if the Rules do not clearly outline processes and criteria, there may be a perception of bias towards certain business models.

Defining processes and criteria, helps to remove uncertainty, inconsistent or subjective evaluation of third-party aggregator proposals.

Further, reporting or independent oversight, there is greater oversight and checks that Synergy (or any aggregator) is acting in customers' or system's best interests.

CEC Recommendations

- Establish high-level assessment principles for third-party aggregators, such as technical competency, data security/privacy, cost-effectiveness and customer value.
- Implement a transparent application process, with published reasoning for approval or rejection of third-party aggregators.
- Require annual reporting on third-party aggregator activity, including number of aggregators, devices, services offered, customer participation and performance outcomes.
- Consider an independent oversight body or third-party evaluator to support fairness and trust in the aggregator framework.

Alignment of Smarter Solar with National Flexible Export Standards

While EPWA's Smarter Solar initiative is promising, the draft Rules do not explicitly align its requirements with national flexible export standards (e.g., as developed by SA Power Networks or the national CSIP-AUS roadmap⁵).

Without such alignment, WA risks diverging from national best practice and interoperability governance. Different rules in WA could lead to inconsistent implementations compared to other states, undermining national interoperability efforts. Varying requirements across jurisdictions increase cost and risk for manufacturers and limit service providers to innovate various VPP offer. A non-aligned approach may reduce opportunities for economies of scale, slow certification, and delay market maturity.

CEC Recommendations

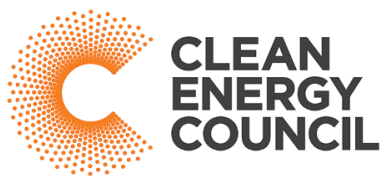
- Explicitly anchor Smarter Solar export limit mechanisms to the impending flexible export standard established through the Smart Connect industry process and implemented by the ANU as part of the DER Rules.

By embedding control capabilities now, WA risks locking in a centralised VPP control model that could be difficult to reverse. Undermining VPP service innovation and OEM differentiation. Prescriptive control standardisation may disincentivise OEMs from developing novel battery, inverter, or control technologies. If control is mandated rather than optional, consumers may lose agency over how their DER operate and reducing perceived value.

The national CSIP-AUS governance framework is designed to evolve standards through consensus. Pre-empting that with regulatory lock-in risks fragmentation.

In summary, we strongly support EPWA's goals to standardise DER communications via CSIP-AUS and to create a structured market for DER aggregation. However, we urge careful calibration of the draft

⁵ [About CSIP-AUS — CSIP-AUS](#)



Rules to ensure that interoperability remains at the communications layer, not enforced as device-level behavioural control.

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

Kind regards,

A handwritten signature in black ink that reads 'CHristodoulidis'.

Con Hristodoulidis
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