

23 January 2025

The Honourable Penny Sharpe MLC
Minister for Climate Change, Energy, the Environment,
and Heritage
Parliament House
Macquarie St
SYDNEY NSW 2000

Dear Minister,

Response in relation to implementation of the NSW Emergency Backstop Mechanism and Consumer Energy Resource Installer Portal

I am writing in response to your correspondence of 20 December 2024 regarding the NSW Government's plans to implement an emergency backstop mechanism and Consumer Energy Resource (**CER**) installer portal by Spring 2025. Ausgrid commends the NSW Department of Climate Change, Energy, the Environment and Water (**the Department**) for engaging collaboratively on the implementation of these actions under the NSW Consumer Energy Strategy (**CE Strategy**). We strongly support the objectives in the CE Strategy and are focused on facilitating the increasing uptake of CER to help reduce energy bills and ensure all customers can access the benefits of the energy transition.

We recognise that high levels of generation from rooftop solar is increasingly likely to cause system demand to drop below the threshold required for the Australian Energy Market Operator (**AEMO**) to maintain the security of our electricity system. AEMO wrote to Ausgrid in August 2024 expressing the urgent need to implement 'operationally effective emergency curtailment backstop capabilities by Spring 2025' to address potential Minimum System Load events in the National Electricity Market (**NEM**).

Ausgrid is actively working with AEMO and distribution network service providers (**DNSPs**) – Essential Energy and Endeavour Energy in NSW and Evoenergy in ACT – to understand the requirements for maintaining power system security and to ensure both a consistent *and sufficient* approach across the NSW-ACT NEM region. We also appreciate the ongoing collaboration with the Department to ensure a common understanding of the requirements and in formulating public consultation.

We support the Department's approach to establish Common Smart Inverter Profile Australia (**CSIP-AUS**) as an emergency backstop capability, which will deliver rooftop solar curtailment capacity over time, from new or upgraded rooftop solar installations from Spring 2025. Ausgrid recognises national harmonisation, where possible, is important to provide more consistent and efficient implementation for Original Equipment Manufacturers (**OEMs**). We are working with DNSPs in other jurisdictions, the Energy Networks Association, and the broader industry to share lessons and support nationally funded initiatives to harmonise the use of the CSIP-AUS emergency backstop approach. In December 2024, Ausgrid also provided in principle support of the Department's preferred approach to establishing a common CER installer portal, which we agree will support greater standardisation and digitisation of installer processes to improve CER installation compliance outcomes.

We recognise the significant body of work and progress the Department has made ahead of proposed public consultation on the emergency backstop mechanism and CER installer portal in February 2025. However, we have strong concerns about the scope of the proposed consultation, which we understand the Department is considering. As the proposed CSIP-AUS capability will only start delivering curtailment capability on *new or*

