# STRATEGY
# Consumer energy resources

AUSTRALIAN ENERGY REGULATOR

## THE GOAL

**Consumers are able to own energy resources and use those resources to consume, store and trade energy as they choose in support of the broader long-term interest of all energy consumers**

| | NETWORK INTEGRATION | EFFICIENT SIGNALS & INCENTIVES | CONSUMER EMPOWERMENT | SAFEGUARDS & STANDARDS |
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| **Objective** | Consumers benefit from prudent and efficient investment to integrate their energy resources | Incentives and signals guide consumers to use their energy resources efficiently, equitably and to their benefit | Markets, innovation and competition empower consumers to use their energy resources as they prefer | Consumer energy resources and related services are trusted to provide value to consumers |
| **Outcomes** | Networks are incentivised and able to identify and undertake prudent and efficient investment to integrate consumer energy resources | Consumers identify and understand what it costs to transport energy to and from them and network prices reflect those costs | Where feasible, consumers have genuine choice of market providers offering services to meet their preferences in how they use their energy resources | Mandated standards and customer protections balance protections and costs to be in consumers' long-term interest and are trusted |
| **Outputs of activities** | Toolkit to support network businesses to identify investments that enable efficient use of consumer energy resources<br>Reports and any required incentives are produced to promote export service performance | Efficient network prices, smart meters and other technology that enables consumers to get the most value out of their energy resources<br>Rules and frameworks to enable networks to use flexible export limits to allocate full network capacity | Consumer co-designed market reforms to integrate flexible demand and consumer energy resources<br>Interoperability needs and pathway for required standards identified<br>Ring fencing, waivers and sand-boxes applied to enable innovation and competition | Frameworks around creating and enforcing technical standards are fit for consumer energy resources<br>Review identifies consumer protections for the energy transition.<br>Guideline limits use of static export limits |
| **AER activities** | Consumer energy resources integration expenditure note and customer export curtailment value methodology<br>Guidelines update for stand-alone power systems and access & pricing reforms<br>Incentive review for export services<br>Export service performance reporting | Tariff reform program<br>Includes export tariff reforms and tariffs to manage load from electric vehicles<br>Flexible export limit work.<br>Includes approving trials and the reviewing required policy and regulation<br>Engage in the AEMC's metering review | Engage in ESB's customer insights collaboration and interoperability work<br>Engage in market reforms: flexible trading arrangements, scheduled lite, electric vehicle smart charging review<br>Ring fencing waivers and compliance<br>Regulatory sand-boxes and enquiry service | Advocate for better governance as part of the AEMC's technical standards review<br>Assist with ESB's standards development<br>Review of consumer protections for future energy services<br>Connection charge guideline review |

### What are consumer energy resources?

Consumer energy resources are distributed energy resources that are owned or leased by residential and small-business consumers (or groups of consumers) that:

- Generate or store electricity, or
- Can alter demand in response to external signals, and
- Includes consumer loads that are flexible and efficiently optimised either through automation or direct behavioural response.

### Enabling ESB programs to support priorities and activities

| ESB data strategy | NEM 2025 DER integration | Customer insights collaboration |
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| Better data access | Strategic coordination | Consumer-centric design |

### Priority framework to approach the situation


Regulatory and market design reflects and responds to consumers' diverse understanding and preferences around consumer energy resources

### Priority framework to approach the situation

There is limited visibility of the large amounts of consumer energy resources installed, and little demand-side participation

This is improving from a low base, but there is an increasing need to manage minimum demand and voltage levels and to efficiently service future loads, such as electric vehicles