



File no: F14/49

8 July 2021

Mr Mark Feather
General Manager
Australian Energy Regulator
GPO Box 520
Melbourne, Victoria, 3001

AERringfencing@aer.gov.au

Dear Mr Feather

Blacktown City Council is pleased to have an opportunity to respond to the Australian Energy Regulator's (AER) *Draft Ring-fencing Guideline Electricity Distribution Version 3*.

We refer to clause 3.1(d)i within the draft guideline that defines distribution networks in a manner that requires them to obtain a waiver from the AER every time they seek to install a community battery (energy storage device) on their network.

Blacktown City Council strongly supports the use of community batteries on the grid. We believe there should be few barriers to their delivery, and no barriers that discriminate against any class of provider.

We question whether requiring distribution networks to obtain a waiver for each community battery represents prudent and necessary regulation when the effect is to discourage investment in the kind of sustainable and innovative services that we, as their customers, desire. We advise that the rule proposed by the AER runs contrary to our expectation that innovations in energy technologies including shared storage devices and electric vehicle fast charging become more readily accessible to our community, not less so.

Blacktown City Council was recently approached by Endeavour Energy to partner with it in the development of a demonstration community battery at Bungarribee. We warmly embraced this proposal, which was endorsed by resolution of the Council on 23 June 2021. We are aware that other councils within the Western Regional Organisation of Councils (WSROC) have since approached Endeavour Energy asking to have a community battery installed in their local government areas.

The deployment of community batteries is consistent with the objectives of Council's *Responding to Climate Change Policy*, in particular our commitment to "*assist our community to reduce greenhouse gas emissions and build resilience to climate change, including through....assisting our community to reach an aspirational target of net zero carbon emissions for the community by 2040*".

Connect - Create - Celebrate

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In agreeing to partner with Endeavour Energy, we considered the benefits that could be gained by participating households, as well as the broader question of equity across our city – how community batteries might benefit all residents directly and indirectly, both environmentally and financially. Privately owned batteries remain cost-prohibitive for most of our constituents, and shared asset solutions like local batteries are, in our view, a priority and achievable means of accelerating access to more efficient and more sustainable energy.

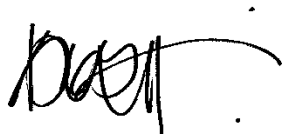
Endeavour Energy has indicated that it could in the future deploy more community batteries across Blacktown City, and this is a potential development that we would enthusiastically support. We anticipate that the requirement to obtain a waiver from the AER for every single community battery would at best significantly disrupt this outcome, and at worst, eliminate it altogether.

We ask the AER to reconsider this clause in the draft guideline, which will slow down investment and in doing so significantly lessen the benefits of energy efficiency in Western Sydney, which must act now to mitigate the effects of the climate emergency.

We believe these negative consequences substantially outweigh the benefits perceived by the AER of restricting any provider, including distribution networks, in deploying community batteries.

Blacktown City Council would like to see as many energy storage devices as possible, as quickly as possible, in our local communities. We ask the AER to adopt regulations that broadly facilitate investment in this technology.

Yours faithfully



Kerry Robinson OAM
Chief Executive Officer