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Dear Kris,

**Subject: Assessing Distributed Energy Resources Integration Expenditure – National Consistency**

We support the approach of the AER in developing this industry guidance. This guidance represents an important step in normalising the connection and integration of distributed energy resources (DER) into the national electricity grid.

The electricity grid is transforming into a two-way transport network, supported by the AEMC's Access and Pricing Rule Change. This guidance note is an essential move towards delivering a more consistent and managed approach that supports DER and improves overall outcomes for all electricity customers.

The primary intent of this submission is to highlight the need to also **consider national consistency in the guidance note**.

Given the interconnected-ness of DER, it is critical for the guideline to consider how to support improved consistency and harmonisation of the models that networks develop. DER is already communicating with national energy markets, as well as the system operator (AEMO). As more DER is connected, it will become increasingly important that this occurs in a consistent and managed way.

There is a risk that Individual DNSP expenditures around connections, communications, information provision, augmentation models, etc will create additional costs for consumers and the industry. While this may be perfectly reasonable from the individual network perspective, this could result in a highly sub-optimal outcome from a national customer perspective.

In addition to the direct costs to consumers from a multiplicity of DNSP standards and communications, there are also the issues of trust. There are numerous reports highlighting that consumer trust in the energy sector is low. Increasing complexity is a direct contributor to this issue, and this would be exacerbated through individual network standards and communications.

At present, the guidance note requires networks to consider options, costs and benefits. We support this approach and recommend the addition of an obligation that the DNSP also specifically consider the costs/benefits to customers from nationally consistent approaches.

National consistency will not be an issue for all expenditures. However, there are a large number of expenditure areas that have the potential to create complexity and costs for consumers and the DER industry. We consider that the benefit of national harmonisation is very material for certain expenditures, including (but not limited to);

- IT systems
- Shared platforms and consumer facing portals
- Connection agreements and standards
- Dynamic operating envelopes, etc.

In summary, we consider that customer outcomes could be materially improved should the guidance note require that the electricity networks also consider the costs and benefits to consumers from national consistency and harmonisation of DER expenditures.

Yours sincerely,

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