Part of Energy Queensland

30 January 2023

Dr Kris Funston
Executive General Manager Network Regulation
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601

By email: exportservicesreview@aer.gov.au

Dear Mr Devlin

AER Consultation - Incentivising and Measuring Export Service Performance Draft Report

Ergon Energy Corporation Limited (Ergon Energy) and Energex Limited (Energex), operating as Distribution Network Service Providers (DNSPs) in Queensland, welcome the opportunity to provide a submission to the Australian Energy Regulator (AER) on its Draft Report - Incentivising and Measuring Export Service Performance (the Draft Report).

Ergon Energy and Energex continue to support the AER in its development of reputational incentives. Specifically, the development of an inaugural export performance report as part of the 2023 electricity network performance report. Ergon Energy and Energex are largely satisfied that most of the new data for the key metrics included in the AER's strawman information request can be provided without undue burden. However, Ergon Energy and Energex have some concerns regarding selected metrics, including in relation to the definitions, or the absence of definitions, contained within the strawman information request.

Ergon Energy's and Energex's feedback in relation to the AER's strawman information request is included as **Attachment 1**.

Should the AER require additional information or wish to discuss any aspect of this submission, please contact me or Sarah Luinys on [redacted]

Yours sincerely

[redacted]

Alena Chrismas
Acting Manager Regulation
Telephone: [redacted]
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Encl: Attachment 1 – Ergon Energy's and Energex's Feedback on AER Strawman Information Request

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Attachment 1 – Ergon Energy's and Energex's Feedback on AER Strawman Information Request

Table(s)	Matter for Consideration	Feedback
Various	Definition	The current definitions proposed as it relates to "customer" and "export services" is not appropriate. We support the previous definition, "DER generation customers" which provides : *Number of customers with different DER generation types, defined as a small generating unit[1] as per the DER Register. This focuses on the subset of DER with generation capability as relevant for export services. DER generation customers excludes customers connected to the isolated networks that are not connected to national grid. It also excludes customers with unmetered connection points without national metering identifier.* The strawman information request should be adjusted to include this definition. To omit this would materially change the way in which export service metrics have been reported to date. This issue has also been raised with respect to the Networks Information Requirements Review and we understand that our preferred definition will be incorporated in those future requirements.
Various	Isolated Customers	In its strawman information request, the AER includes requirements to report information in relation to isolated network customers. Isolated networks, other than the Mt Isa-Cloncurry supply network, are

[1] *A generating unit:*
(a) with a nameplate rating that is less than 30 MW; and
(b) which is owned, controlled or operated by a person that AEMO has exempted from the requirement to register as a Generator in respect of that generating unit in accordance with clause 2.2.1(c).

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		outside of the scope of the AER's regulatory responsibility. As such, information requests in relation to customers in these networks should be excluded.
Various	Parameters	Historically, some measures have been reported as an average of figures at the start and end of the reporting period. Ergon Energy and Energex seek clarification that all metrics included in the strawman information request are to be reported as at 30 June for the relevant reporting period.
11.9.2	Disaggregation	In response to previous information requests, and most recently in our response submissions in May 2022, Ergon Energy and Energex have noted the difficulties associated with capturing this information. Assumptions were applied to provide a relative estimate of the number of customers receiving overvoltage and the results were reported at the feeder classification level only. Currently, Ergon Energy and Energex do not have visibility of this information at the 'Customer Type' level as presented in the AER's strawman information request. As such we caution the AER in requiring networks to provide disaggregated data at the 'customer type' level.
11.9.2	Fit for purpose / Disaggregation	In C4 of Attachment B to the Draft Report, the AER notes that data for customers receiving overvoltage could be useful when considered along with other data to observe relationships between changes in installed capacity/consumer resource penetration and voltage levels in particular locations. However, we consider that the current proposed level of disaggregation for the related measures (feeder classification) would not provide the AER with a clear view of locational impacts. Further, correlation does not necessarily equal causation and it would be incredibly difficult for a DNSP to establish if a voltage issue was the direct result of export related activities. As such, this measure may not provide meaningful context with respect to a DNSPs export service performance.
11.9.3, 11.9.4	Scope	Ergon Energy and Energex consider that the strawman information request should be limited in scope to export capacity for an accepted connection offer. That is, connection applications and enquiries should be out-of-scope.
11.9.3, 11.9.4, 11.9.8	Definition	The strawman information request includes the following additional note: *Measures relating to export capacity requests under 11.9.3-11.9.5 should capture requests for a specific level of export capacity. They should not include connection agreements that accepted a default limit, nor do they apply to dynamic export limits.*

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		This implies that information to be reported in these tables should be limited to negotiated connection agreements. Currently, Ergon Energy and Energex do not have systems in place to readily obtain historical information on the amount of export capacity *requested* in a negotiated connection application. However, if required, processes could be but in place to report this information from the 2023-24 regulatory year on. Ergon Energy and Energex seek confirmation from the AER that the information reported in these tables should only relate to negotiated connection agreements and, if so, recommend the AER allow a transitional period during which DNSPs may provide N/A or null responses. Also note, there is no table 11.9.5 and it is assumed that this instruction applies to tables 11.9.3, 11.9.4 and 11.9.8, as such this is a typographical error.
11.0.1	Fit for purpose	In attachment B to the Draft Report, the AER notes that Table 11.0.1 is intended to capture inverter compliance as a measure of voltage management risk and network readiness for flexible export limits. However, the table only specifies compliance with standard AS4777.2. As this standard is updated from time to time, and the version that would imply network readiness for flexible export limits is AS4777.2 (2020), this table may not suit the AER's purpose. In addition, AS4777.2 (2020) compliant inverters can accommodate flexible export arrangements but there is a requirement for inverter manufacturers to upgrade the systems to enable this. As such, even a record of AS4777.2 (2020) compliant inverters may not indicate flexible export readiness. Ergon Energy and Energex would welcome further guidance from the AER on this metric.
11.0.2	Data availability / Parameters	Ergon Energy and Energex agree that the proposed measure would provide insight into network export services performance with respect to customers' access to the full export capability agreed to in their connection agreement. Currently, Ergon Energy and Energex do not have access to the level of measurement required to do this accurately, for example, time-series data for behind the meter demand/energy consumption, voltage at the connection point and local irradiance. This accessibility may change in the future, however, it will not be available in the near term and, even then, full coverage is not expected. In the absence of appropriate measured data, an approach to modelling/estimating could be pursued provided an agreement on appropriate assumptions could be reached. Ergon Energy and Energex believe that there are range of assumptions, from simple to complex, that could be made which could materially impact the calculated performance. For this reason, Ergon Energy and Energex

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		are seeking further clarity from the AER on what key assumptions can be made and what would be an acceptable level of error.
11.0.3	Data availability / Parameters	As with 11.0.2, Ergon Energy and Energex agree that this metric could provide the AER with additional information about the magnitude of operational curtailment. However, it is unclear how this could be accurately measured. For example, we consider that circumstances where export services are unavailable to customers due to extreme weather events are not a reflection of export service performance as these events are outside of a DNSP's control. We also would consider that for Queensland DNSPs zero export access as a result of an emergency backstop mechanism being triggered would be captured in this table. It is also unclear whether export service impacts from planned outages are required to be reported in this table. Further guidance from the AER on how this information is to be reported where it cannot be observed directly and whether any exclusions should be applied is required.
11.0.4	Data availability	In the definitions outlined in the strawman information request the AER defines total utilised generation from consumer energy resource as: *the sum of the energy produced from consumer energy resources that is* *(i) consumed by the producing consumer and* *(ii) exported by the producing consumer into the distribution network.* *If this measure is unable the observed directly from customer telemetry, it requires calculation from estimated consumer energy resource generation minus the estimated volume of curtailment.* Whilst Energex and Ergon Energy are able to derive the amounts of energy exported by producing customers, they do not have visibility of the amount of energy self-consumed or lost. In the absence of a way to meaningfully estimate amounts of energy self-consumed, estimating the overall amount utilised would be difficult and flawed. Whilst the above definition provides for a proxy calculation where this measure is unable to be directly observed, Ergon Energy and Energex consider this proxy calculation problematic and unlikely to provide the AER with the context it is seeking.

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		Ergon Energy and Energex recommend the AER explore opportunities to source information related to self-consumption from other parties. As batteries become more integrated, stored energy consumption, captured via behind the meter monitoring systems, may also need to be considered. Total energy produced would also be a valuable metric as it would allow for usage to be considered against production to identify improvements in, or opportunities for improvements in, the use of consumer energy resources over time. Ergon Energy and Energex would welcome opportunities to further discuss this metric with the AER.
11.0.9	Fit for purpose	Ergon Energy and Energex can provide the AER with the average non-zero static export limits but do not see the value this information may provide. Given the potential for outliers to impact reported averages, this metric may not support the AER's proposed purpose which is to use this data to provide information on the magnitude of export limits and identify if there is a practice of applying high static export limits that do not have a binding effect.
11.0.10, 11.0.11	Availability of Data	Whilst Ergon Energy and Energex are undertaking a number of activities to enable dynamic/flexible export connections and there are a small number of customers with dynamic connection agreements in place, flexible export arrangements are not yet operational in Queensland. As such, the information required for table 11.0.10 in relation to the average upper limit for customers with flexible export limits could be reported but the information required for table 11.0.11 is currently unavailable. It is likely that the data in 11.0.10 is of little value without the context of 11.0.11. As such, Ergon Energy and Energex recommend the AER allow DNSPs to report these fields as N/A or null until such time as these connections become operational.
11.0.12	Definition	Ergon Energy and Energex seek clarification from the AER on whether the average time to connect consumer energy resources to the distribution network is: • the application to time of connection offer; • application to time of connection offer acceptance; or • application to time of electrical work request. Some of these periods will be influenced by a customers' responsiveness and may not be within a DNSPs control. Additional factors such as metering change requirements may impact the timeframe

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		taken before a resource is able to be connected and export. Ergon Energy and Energex request further guidance on how to report information in this table.