

17 November 2022

Ms Anna Collyer  
Chair  
Energy Security Board  
Level 15, 60 Castlereagh St  
Sydney NSW 2000

Via email to [info@esb.org.au](mailto:info@esb.org.au)

Dear Ms Collyer,

### Re: Simply Energy Response to Interoperability Policy - Directions Paper

Simply Energy welcomes the opportunity to provide feedback on the directions paper on the Energy Security Board's (ESB) project to develop an interoperability policy.

Simply Energy is a leading energy retailer with approximately 700,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. Simply Energy is owned by the ENGIE Group, one of the largest independent power producers in the world and a global leader in the transition to a zero-carbon economy. As a leading retailer focused on continual growth and development, Simply Energy supports the development of effective regulation to facilitate competition and positive consumer outcomes in the market.

Since March 2018, Simply Energy has also been leading VPPx, which is an ARENA funded project to build the first virtual power plant (VPP) that integrates with a distributed energy market platform. Simply Energy is collaborating on this project with several partners, including technology vendor GreenSync and distribution network service provider (DNSP) SA Power Networks.

Simply Energy has also been actively participating in the ESB's Consumer Energy Resources (CER) Implementation Plan, including through the Stakeholder Steering Group of the ESB's Customer Insights Collaboration.

In this submission, Simply Energy provides feedback on several topics in the directions paper.

#### Priority of different interoperability domains

**Question 1:** Are the five identified domains correctly summarised? Are there gaps or major limitations in this framing?

**Question 2:** What priority should each domain be assigned, considering the interest of all electricity consumers within the consumer energy resource interoperability landscape?

Simply Energy supports the five identified interoperability domains in the directions paper and considers this provides a useful way to understand the relationship between parties. In terms of priorities for interoperability domains and use-cases, our initial ranking is:

1. **CER-DNSP interoperability** – This should be the initial priority as it would allow DNSPs to gain more insight and visibility into how their network is being utilised downstream. As several DNSPs are already adopting CSIP-Aus as a communications protocol to support the

development of dynamic operating envelopes and flexible export limits, this interoperability domain seems to be a natural first step.

2. **DNISP-AEMO interoperability** – This would support the strategies that currently exist between the Australian Energy Market Operator (AEMO) and DNSPs to manage risks during periods of power system stress. We consider that these strategies may be of limited benefit if DNSPs cannot adequately monitor the local system constraints within their networks due to a lack of visibility of CER assets.
3. **DNISP-X interoperability** – Simply Energy supports improved network visibility for the purpose of market planning and to inform investment and behavioural decisions. We consider that the types of information considered under this domain would be useful for households and large users, in making better decisions on CER usage, future investments, and whether or not to join a trading program such as a VPP.
4. **Behind-the-meter (CER-CER) interoperability** – While this is an important area, we consider that this domain should be on lower list in the short-term due to the relatively small number of households that have multiple CER devices and the relatively low uptake of electric vehicles in Australia at present. One use case for behind-the-meter interoperability is in relation to contingency frequency control ancillary service (FCAS) provision, which may enable multiple CER assets to coordinate to provide an efficient service to the market, rather than ‘fighting’ each other and providing a suboptimal response.
5. **CER-market interoperability** – We consider that the full benefits of CER participating in the market is dependent on the above domains being progressed. Market participants would need to be fully aware of how CER is going to be made available, how a DNISP or AEMO may intervene and control assets, and what information on future congestion forecasts and export limits are available.

### Flexible export ready mandate

**Question 3:** What are the likely costs and benefits for consumers associated with a national ‘flexible export ready’ mandate including in relation to future readiness of customer installations and installation costs?

**Question 4:** Do stakeholders agree that DNSPs are best placed to enforce a ‘flexible export ready’ mandate at the time of installation? If not, what alternative models should be considered?

We do not have a view on the costs of implementing a national ‘flexible export ready’ mandate, but we do expect that a transition period will be required for industry to ensure that they are fully prepared (including the need to run down existing stock of inverters, train installers, and update customer-facing communications).

In relation to question four, we agree with the ESB that DNSPs are best placed to enforce a ‘flexible export ready’ mandate at the time of installation.

### CSIP-Aus as a technical standard

**Question 8:** What are the pros and cons of a flexible export ready mandate referring to CSIP-Aus in Standards Australia Handbook form?

Simply Energy supports the development and implementation of CSIP-Aus and planning a staged rollout of the standard through requiring new installations to be ‘flexible export ready’.

Although including CSIP-Aus in Standards Australia Handbook form seems appropriate, we are concerned that this may lead to longer timeframes for updates to CSIP-Aus as technology and experience of the industry evolves.

### Concluding remarks

Simply Energy welcomes further discussion in relation to this submission. To arrange a discussion or if you have any questions please contact Matthew Giampiccolo, Senior Regulatory Adviser, at [matthew.giampiccolo@simplyenergy.com.au](mailto:matthew.giampiccolo@simplyenergy.com.au).

Yours sincerely



**James Barton**  
General Manager, Regulation  
Simply Energy