AUSTRALIAN ENERGY MARKET COMMISSION

HAVE YOUR SAY: MAKING ROOM FOR MORE SOLAR AND NEW TECH ENERGY DRAFT DETERMINATION 25 MARCH 2021

The AEMC today released a draft reform package designed to open a solar gateway to the electricity grid. We can decarbonise faster and for less cost if we change the power system to allow more customers to connect solar and make it more worthwhile for them to install batteries. We've suggested a way to do that, but we want to know what you think.



More than 2.6 million small solar owners have led the charge. This big, fast change will continue – within a decade, half of all energy users will be using some form of local energy option like solar.





Better manages the flow of electricity in the power system, smooths out demand peaks and troughs over the day, gets more from the poles and wires we already have.

What does a smart system look like?



Customer preferences drive network tariff design and the solar export services they get



The system wasn't designed for power flowing both to – and from – consumers. Because of this, so much solar potential is locked away. Not everyone can export their solar energy because of daytime 'traffic jams' on the network. This problem doesn't affect all solar owners yet, but it's getting worse. If we don't act, the system will reach its technical limits. Then, power networks will have to severely limit power exports or build costly new poles and wires to cope with the new solar on its way. Either way, we will all pay, so we need a smarter, cheaper way to use the grid. The sun is free, but poles and wires are not, so planning ahead

will avoid costly over investment and crisis solutions down the track.



Works for everyone, whether they have solar or not, and distributes the benefits of solar evenly across the network. Every Australian deserves affordable, sustainable power.

What we're proposing



Changing distribution power networks' existing incentives to provide services that help people send power back into the grid. Gives networks a stronger reason to deliver quality export services that customers value. At the moment, there are no financial penalties for poor network export service and no rewards for good service.



Officially recognising energy export as a service to the power system. Gives consumers more influence over what export services their networks deliver and how efficiently they deliver them.



Allowing power networks to develop new tariff options including two-way pricing. Networks may reward you for sending power when it's needed and charge for exporting when demand is low. Investing in a battery would bring benefits. Options could include free export up to a limit or paying extra for access during busy times.



Flexible pricing solutions at the network level. Each network devises its own pricing structure based on customer preferences. There will be no blanket approach because different networks have different capabilities and customers and are subject to different government energy policies. Each plan must be approved by the energy regulator.