

19 January 2024

Mr Mark Feather
General Manager, Strategic Energy Policy and Energy System Innovation
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Dear Mr Feather,

Re: Interim export limit guidance note – for consultation

Simply Energy welcomes the opportunity to provide feedback on the Australian Energy Regulator's (AER) interim export limit guidance note.

Simply Energy is a leading energy retailer 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.

Simply Energy provides its customers with access to innovative products that have a focus on distributed energy and consumer energy resources (CER), such as residential virtual power plants (VPPs) and electric vehicle (EV) charging. Simply Energy is also currently collaborating with several distribution network service providers (DNSPs) regarding opportunities for network-owned, retailer-leased, community batteries.

General comments on interim guidance

We are concerned that the interim export limit guidance note underplays the importance of energy retailers as the primary interface for consumers with the energy market and the importance of market-led outcomes. While there is a role for flexible export limits, we do not agree that a DNSP-led framework will best meet the long-term interests of energy consumers. Energy retailers are currently developing market-based mechanisms to manage consumer energy resources (CER) and return value to consumers, which provide incentives for consumer-led investment in technologies that also provide broader market benefits. In our view, a DNSP-led framework would have a high risk of eroding the consumer value derived from grid-support services provided through the CER management arrangements between customers and retailers.

Simply Energy supports the development of market-based frameworks for the management of CER, including for the timing and management of flexible export limits.

Rather than progressing with a final interim guidance note, our preference would be that resources are focused on testing and developing export limit frameworks in a fulsome manner through the Australian Energy Market Commission rule change process.

Opt-in flexible export limits

Generally, Simply Energy supports an opt-in approach to implementing flexible export limits, due to the high risk of consumer dissatisfaction in the short-term. At least in the short to medium term, Simply Energy would support a requirement that DNSPs allow a consumer that has opted-in to flexible export limits to be able to change their mind and revert back to static export limits (for example, when there is a change to the connection agreement). A static export limit should remain available for consumers that want to make that choice.

A focus on improving consumer awareness and understanding of export limits and two-way pricing will be critical before undertaking a wider rollout of these tools. However, changing the consumer mindset around solar exports will likely prove challenging and will require government and consumer advocate support to supplement messaging from industry participants.

Technical standards

In its capacity as a VPP provider, Simply Energy would encourage industry participants to find a common standard to deliver site-specific data, relating not only to flexible exports but to the full Dynamic Operating Envelope. This information would help VPP operators to confidently offer services to the market as well as assisting customers in making better investment and energy decisions.

Concluding remarks

Simply Energy welcomes further discussion in relation to this submission. To arrange a discussion or if you have any questions please contact me at [REDACTED].

Yours sincerely

[REDACTED]

Matthew Giampiccolo
Manager, Regulation and Policy
Simply Energy