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28 March 2023

Australian Energy Regulator (AER)
Via email to: AERringfencing@aer.gov.au

To Whom It May Concern,

I'm writing as someone who has been focused on the effective integration of Distributed Energy Resources (DER) into the National Electricity Market (NEM) for the last five years. I was a recipient of a Churchill Fellowship to North America and Europe to study the future of electricity distribution networks in 2018 and following that, I was the DER Specialist at the Energy Security Board.

I have a particular interest in Distribution Network Service Providers (DNSPs) innovating to fast-track DER integration and as such I'm writing to provide support for a waiver to section 4.2 of the Ring-fencing guideline for SA Power Networks to undertake its Market Active Solar trial from 1 July 2024 to 31 December 2025. My sincere apologies for missing the deadline for submissions and I hope you will consider this late letter of support.

Abundant solar is an opportunity that should be first taken up through demand shifting and all governments, energy market institutions and DNSPs should ensure that is a priority. However, I'm aware that rooftop PV generation is growing faster than load is shifting into the middle of the day.

SA Power Networks has been the first DNSP to develop and roll out dynamic operating envelopes (DOEs) to manage network limits while enabling consumers to optimise their investment in DER.

Some energy retailers are looking to hedge their exposure to negative prices in the middle of the day through compensating consumers for reducing solar exports. This is economically rational, although not economically efficient on a whole-of-system basis. I would hope this would be a temporary measure until smart electrification allows for greater demand shifting.

Given retailers are looking to offer payments for household solar curtailment, it makes sense to use DOEs to do this and to trial the approach proposed in the Market Active Solar trial. It strikes me as efficient and effective to use the architecture and communications SA Power Networks has developed to trial market-initiated curtailment requests to the PV owner's inverter.

I would hope the AER could give thought in parallel to how to speed up the adoption of demand flexibility across the NEM.

Please don't hesitate to contact me if you'd like further detail on any matter raised in this letter.

Kind regards,

