

6 March 2024

By email to: AERringfencing@aer.gov.au

Letter of support for SA Power Networks' ring-fencing waiver application for the Market Active Solar project

To whom it may concern,

Energy Networks Australia (ENA) welcomes the opportunity to provide a submission in relation to SA Power Networks' ring-fencing waiver application. We strongly support granting 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.

ENA is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

As the peak industry association for energy networks in Australia we recognise the challenges distribution network service providers (DNSPs) face in integrating very high levels of rooftop PV within the physical limits of their networks.

One of these challenges is managing the occasional excess of generated solar energy at times of minimum system load in regions with high-solar penetration, which has occurred first in South Australia but will emerge in other jurisdictions in the coming years.

It is now widely recognised that DNSPs will need to move from increasingly restrictive static export limits to dynamic operating envelopes (DOEs) to manage these network limits while enabling customers to get the most out of their investment in customer energy resources (CER).

While there has been significant progress in establishing DOE offers by distribution network businesses across Australia, it is essential that we ensure these offers work in conjunction with other emerging market-price responsive solar management schemes, such as those offered by energy retailers. This is a critical optimisation and coordination challenge to address if CER is to be efficiently integrated into the energy system over the long term.

In light of this, Energy Networks Australia strongly supports the proposed project as it seeks to provide a practical demonstration of how a retailer-led solar management

offer can work in conjunction with a DNSP-provided DOE to achieve an outcome that benefits the customer, the market and the electricity network.

If successful, the approach demonstrated in this project could lead the way for consistently implementing similar offers in other network regions across the NEM to the benefit of customers, other DNSPs and retailers operating nationwide.

If you have any questions or would like to discuss specific topics further, please do not hesitate to contact Dor Son Tan, Head of Distribution [REDACTED]

Yours sincerely,

[REDACTED]

Dominique van den Berg
Chief Executive Officer