



Jacquie Shannon
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Australian Energy Regulator
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To Jacquie Shannon,

SA Power Networks – Application for ring fencing waiver for Market Active Solar Trial

ENGIE Australia & New Zealand (ENGIE) appreciates the opportunity to respond to the Australian Energy Regulator (AER) in response to SA Power Networks' (SAPN) ring-fencing waiver application for the Market Active Solar Trial.

The ENGIE Group is a global energy operator in the businesses of electricity, natural gas and energy services. In Australia, ENGIE operates an asset fleet which includes renewables, gas-powered generation, diesel peakers, and battery energy storage systems. ENGIE also owns Simply Energy which provides electricity and gas to retail customers across Victoria, South Australia, New South Wales, Queensland, and Western Australia. ENGIE is partnering in the Market Active Solar trial with SAPN in relation to 'integration model 3' as described in SAPN's application.

ENGIE recognises the value of being able to turn the NEM's largest generator (collectively) into a price responsive generator, giving retailers the ability to shape power exported relative to demand. Nowhere is this opportunity greater than in South Australia, where negative wholesale energy prices have become a regular feature of the market. Our customers remain our key priority and we are eager to trial innovative energy products that aim to ensure that owners of rooftop solar PV systems continue to receive benefits from their system even if it is not exporting at certain times.

ENGIE supports SAPN's application and the ring-fencing waiver being granted to enable the trial of 'integration model 3'.

ENGIE considers that this integration model will promote the National Electricity Objective through its trialling of efficient operation and use of electricity services and assets, with knowledge that will be shared more broadly with industry in accordance with ARENA funding arrangements. 'Integration model 3' utilises an existing integration pathway through SAPN's CSIP-Aus interface, which avoids the need to build additional integrations to the customer's site (as will occur through 'integration model 2'). While this trial utilises existing distributor integration pathways, learnings from this trial could feed into the further

development of centralised data hubs, similar to previous ARENA-funded projects. Potentially, a centralised data hub could enable industry participants to provide similar control signals as in 'integration model 3' without the need to integrate directly into a distributor's interface.

While we acknowledge that the trial of 'integration model 3' includes only one retailer, there is no intention for this to remain an exclusive arrangement following the conclusion of the trial. Should the trial be a success, we expect that the integration pathway would be scalable to accommodate other industry participants regardless of the brand or model of inverter. We consider that this may be an economically efficient way to achieve control of distributed solar PV inverters, without the need for each participant to build their own costly integration pathways.

ENGIE notes that the SAPN waiver application relates solely to clause 4.2.3 of the ring-fencing guideline, which relates to branding and cross-promotion. ENGIE considers that SAPN has appropriate processes in place to manage its functional separation obligations. In our view, any risks arising from the branding obligations in the ring-fencing guideline are outweighed by the benefits to industry from this short trial with limited installations.

Should you have any queries in relation to this submission please do not hesitate to contact me on, telephone, [REDACTED].

Yours sincerely,

[REDACTED]

Matthew Giampiccolo

Manager, Regulation and Policy

ENGIE Australia & New Zealand