



Government  
of South Australia

Department for  
Energy and Mining

DEM Ref: 2024D017561

Ms Jacquie Shannon  
Acting General Manager,  
Strategic Policy and Energy Systems Innovation Branch  
Australian Energy Regulator  
GPO Box 3131  
CANBERRA ACT 2601  
Via email: [AERringfencing@aer.gov.au](mailto:AERringfencing@aer.gov.au)

Dear Ms Shannon

The South Australian Department for Energy and Mining (the department) is writing to provide support for a waiver from section 4.2 of the *Ring-fencing Guideline Electricity Distribution* for SA Power Networks to undertake the proposed *Market Active Solar* trial from 1 July 2024 to 31 December 2025.

The department recognises the challenges distribution network service providers (DNSPs) face in integrating very high levels of rooftop PV within the physical limits of their network. One of these challenges is managing the occasional excess of generated solar energy at times of minimum system load in high-solar jurisdictions, which has occurred first in South Australia and is emerging in some other jurisdictions.

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 to ensure these offers work in conjunction with emerging market-price responsive solar management offers from energy retailers.

The department strongly supports the proposed project as it seeks to provide practical demonstrations 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 approaches demonstrated in this project could be adopted across the National Electricity Market, giving customers access to a range of retail offers that help them achieve the most value from their own CER while maintain within the safe limits of the network.

If you have any questions or would like to discuss specific topics further, please do not hesitate to contact Lachlan Pontifex, Director Policy on [REDACTED] or [REDACTED]

Yours sincerely

[REDACTED]  
Vince Duffy  
DEPUTY CHIEF EXECUTIVE

5/3/2024