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Energy Market Transformation Team

COAG Energy Council Secretariat

By email: energycouncil@environment.gov.au

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Dear Energy Market Transformation Team,

Cost Benefit Analysis of options to collect and share information about small scale battery storage: Consultation Paper

AGL welcomes the opportunity to respond to the *Cost Benefit Analysis of options to collect and share information about small scale battery storage: Consultation Paper*, May 2017, prepared by Jacobs for the COAG Energy Council.

AGL is one of Australia's leading integrated energy companies, operating across the supply chain with investments in coal-fired, gas-fired, and renewable electricity generation and upstream gas exploration, storage and production projects. We are also Australia's largest private owner, operator and developer of renewable generation in Australia and a significant retailer of energy, providing energy solutions to over 3.7 million customers nationally.

AGL is continually innovating our suite of distributed energy services and solutions for customers of all sizes (residential, business and networks). These 'beyond the meter' energy solutions involve new and emerging technologies such as energy storage, electric vehicles, solar PV systems, digital meters, and home energy management services delivered by digital applications.

The longer-term view

The technology and data landscape is fast evolving. In the energy sector, as in other industries, new technologies are having an impact on the volume of data created and the means for transmitting, synthesising and using such data. As the capabilities of distributed energy resources (**DER**) advance and customer adoption increases, there will also be increasingly complex interactions between DER and various energy service markets. DER may participate beyond the home in network support, wholesale demand response, grid stability markets and/or 'peer-to-peer' trading markets. Advanced software platforms may enable real time monitoring and control of DER performance.

The future environment is likely to have an impact on the range of market actors with an interest in DER, network and market data. This might include the Australian Energy Market Operator (**AEMO**), network service providers, and a range of existing and new energy service providers (aggregators, orchestrators, retailers). It will also influence what longer term approaches to data access and sharing are most appropriate. The current dialogue is focused on a registry as a static (although frequency updated) repository of data. In the longer term, more dynamic distributed data exchanges may prove to be a lower cost, lower risk and more suitable means for accessing and sharing data between those who need it.

Short-to-medium term solution

Until the industry has had the opportunity to develop a considered view of the future environment and related data needs and methods for exchange, it is AGL's view that the creation of an energy storage register should be delayed. Battery installations are currently occurring at relatively low-volumes and the Clean Energy Regulator's (**CER**) database of solar PV installations will continue to operate until at least 2020. Accordingly, any risks associated with a delay in the creation of a new database appear relatively low.

However, if it is determined to proceed with the collection of data on energy storage installations at this time, this should occur in such a way as to minimise the creation of entirely new registers, processes and governance frameworks. This will minimise redundancy risk while the optimal future approach is considered. On this basis, of the options presented, augmentation of the CER's existing collection processes to include battery installation data would be most preferable.

These are processes with which installers are already familiar, reducing the effort in communication and education. It would also mean installers are only sending data to a single collection agency. We note that the CER database already has an established channel with AEMO to provide and update information.

AGL notes that the Jacobs study currently excludes consideration of funding options for collection of data, development of the database and operation of the database, as well as cost recovery options. Should an energy storage database proceed, it is important that costs and funding options be aligned with those stakeholders primarily benefitting from its establishment. The small-scale battery energy storage market is at the earliest stages of development and highly sensitive to increases in the installed cost of new systems

Information requirements

AGL does not consider it appropriate or necessary for the registry to collect all of the data suggested in Table 3. In particular, characteristics such as 'device part of aggregated control', 'enabled modes of operation' and 'demand side participant contract' are ill-suited to being collected at installation as a source of truth as these are liable to change over time. A battery originally installed and operated solely for a customer's own use, may later be included in an aggregation or demand response program, and vice versa.

It is also relevant that AEMO's Demand Side Participation Information Guidelines already require the annual provision of information on batteries incorporated into an aggregation or demand response scheme. To require the separate collection of that information for the purposes of an energy storage register would be unnecessary duplication.

Secondary objectives

AGL agrees that the secondary benefit 'safety of line workers and installers' is negligible at best. Batteries are required to be connected to the network through an inverter that is AS4777 compliant. These inverters will automatically disconnect when no grid voltage is detected.

Should you have any questions please contact me via email sbashir@agl.com.au or 03 8633 6836.

Yours sincerely,

Stephanie Bashir

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