

8 March 2019

Dr Kerry Schott AO
Chair
Energy Security Board

Lodged by e-mail: info@esb.org.au

Dear Dr Schott,

Strategic Energy Plan Draft Metrics – Consultation Paper

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in renewable energy and energy storage along with more than 6,000 solar and battery installers. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC welcomes the opportunity to provide feedback on the Energy Security Board's (ESB's) *Strategic Energy Plan Consultation on Draft Metrics*. We understand the purpose of the Strategic Energy Plan is to ensure a clear strategic focus for the COAG Energy Council's future work and to provide clarity of direction to market bodies and market participants. It is important there are tangible metrics so that the outcomes and progress of the Strategic Energy Plan can be tracked.

The CEC generally supports the expanded draft metrics. We thank the ESB for incorporating many of our suggested changes to the draft metrics from the first round of consultation.

The CEC endorses the ESB's emphasis on draft metrics being neutral and that they not include implicit or explicit targets or goals to achieve. We also support the inclusion of the data source for each draft metric. We note that several draft metrics rely on sources that are yet to be decided. We suggest these metrics are removed at least until the source of the metric is confirmed so that they can be an accurate measure.

The CEC supports the ESB's preference for the final list of metrics to be shorter than the list of draft metrics. Please find below additional comments on specific metrics for your consideration:

- We strongly support the inclusion of a metric to measure the emissions of the electricity sector as a proportion of national emissions.
- The proportion of metrics relating to reliability when compared to emissions under the outcome '*reliable and low emissions electricity and gas supply*' is unbalanced. We suggest either the modification of the outcome to represent that this outcome is mostly about the reliability of the sectors. Or, preferably, we support the inclusion of an additional metric to capture the emissions intensity of the sectors.

- We suggest the addition of a metric under the outcome '*reliable and low emissions electricity and gas supply*' to track the triggering of the Retailer Reliability Obligation.
- We suggest a metric be added to track the deployment of energy storage across the National Electricity Market. Energy storage will be critical to achieving an efficient, secure and low-emissions future grid, as outlined by the Finkel Review and now consistently recognised by the Australian Energy Market Commission and Australian Energy Market Operator.
- We strongly support the inclusion and prioritisation of the metric '*average generation connection time from project commencement*'. Long connection times are one of the most significant issues for connecting generators and storage technologies, which has whole of system security and reliability implications.
- In relation to the metric '*extent to which congestion is being examined through RIT-T/Ds*', we believe this metric should be removed in support of the ESB's preference to include fewer metrics in the final list. Congestion is adequately covered in other metrics for this outcome.
- Given that the metrics track the progress of many focal points of the Integrated System Plan (ISP), we suggest the ESB consider formally linking the metrics to the ISP.

The CEC also suggests that given the rapid energy market transformation that is currently underway and the associated regulatory reforms, there is a need for a review timeframe for the metrics to ensure they continue to be fit-for-purpose. A five-yearly review period would allow the metrics to be evaluated to ensure they are still suitable for the evolving energy market.

Thank you for the opportunity to comment on the draft metrics. If you would like to discuss any of the issues raised in this submission, please contact Tom Parkinson, Policy, Project and Advocacy Officer, on (03) 9929 4156 or tparkinson@cleanenergycouncil.org.au or myself, as outlined below.

Yours sincerely,



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