

28 July 2020

Energy Security Board

Sent by email to: [info@esb.org.au](mailto:info@esb.org.au)

To Whom It May Concern,

**ETU Response to ESB Governance of DER Technical Standards Consultation Paper**

The Electrical Trades Union of Australia (ETU) is the Electrical, Energy and Services Division of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU). The ETU represents approximately 60,000 electrical and electronic workers around the country and the CEPU, as a whole, represents approximately 90,000 workers nationally.

The ETU is the Union that represents over 20,000 workers engaged in the various electrical power industry sub-sectors including maintaining and operating power stations, constructing, maintaining and operating both the distribution and transmission networks and associated substations, switchyards, control rooms and test and protection equipment along with members engaged in the construction, commissioning, operation and maintenance of distributed energy assets. ETU members work across both the NEM and Non-NEM networks.

In addition, the ETU also represents members who work in many of the large and medium sized industrial and commercial workplaces and are likely to be the workers tasked with installing and maintaining the various demand response initiatives and opportunities.

I am writing to you to outline the ETU's views on the matters raised in the DER Technical Standards Consultation Paper and provide the following responses to the questions raised in that paper.

**Q1. Do you support the proposal to establish a DER Standards Governance Committee under the National Electricity Rules? If not, what alternative would you suggest?**

The ETU has been a long-time supporter of and participant in tri-partite mechanism designed to balance the needs of business, workers and the community in matters relevant to the energy sector.

The concept of a DER Standards Governance Committee could be a useful body to both ventilate and deliberate on the most appropriate outcomes to balance the various needs and interests of stakeholders. That is of course, if the stakeholders are in fact represented appropriately on such a body.

Whether the body is conceived under the National Electricity Rules or some other legislation warrants some consideration. Whilst it may require some effort to establish such a body under harmonised electricity laws it does provide some surety to participating jurisdictions as to its makeup, resourcing, focus, accountability as well as its ongoing tenure.

Ensuring the body has the relevant regulatory authority to perform its functions will be important to its success, particularly when it comes to compliance and enforcement.

**Q2. Do you have any feedback on the proposed functions of the DER Standards Governance Committee?**

Whilst supportive of the proposed functions stated, the ETU believes embedded in these functions should be the consideration of the impacts of these standards on workers, the community and other agencies including safety regulators and emergency response services.

The development, implementation and enforcement of DER Standards will have broad ranging impacts on workers, including but not limited to:

- Impacts on industry work practices and construction standards
- Skills and training needs
- Consumer and worker safety considerations
- Effects on jobs, productivity, and efficiency measures in workplaces
- Workforce resourcing and skills matrices
- Network stability and operations
- Industry transitions for workers
- Dealings with regulatory bodies; and
- Interactions with emergency services

It is also important to understand that every state and territory in Australia has difference conduct rules when it comes to the performance of electrical work and for electrical safety standards and how this may interact with the development of standards and any particular jurisdictions capacity to adopt and comply with a standard.

The ETU has significant experience in these areas. The ETU also has both established formal and informal structures to consult deeply and widely with energy industry workers in order to effectively represent their views.

**Q3. Do you support the DER Standards Governance Committee being advisory or be determining? Please provide reasons.**

If the committee is to perform the functions proposed at chapter 4 of the discussion paper, then it is entirely likely the committee would need the flexibility to act in both an advisory and determining capacity with clear delineation and charters for each outcome.

Issuing guidance to any jurisdiction is necessarily complex and will require adaptation to many different scenarios. A one-size fits all approach would not serve the best interests of consumers, business and workers.

Allowing for both advisory and determinate outcomes will also provide the committee with flexibility in its work and the capacity to deliver more timely advice to the jurisdiction for lower risk matters. Determinate outcomes will necessarily require higher levels of engagement and consultation and is likely to require significantly higher rigour and at times analysis of the regulatory impact of decisions.

It is likely there will be situations where guidance will be of more assistance than a hard decision and others where hard decisions will be more appropriate than non-binding guidance.

A key criticism of Australia's energy regulatory environment has been the timeliness of decision making and providing this flexibility to the committee could assist to avoid further criticism while also allowing a graduated risk-based approach in the development of standards.

**Q4. Do you have any feedback about the Committee determining standards in a subsidiary instrument under the rules?**

Not at this time.

**Q5. Do you have any feedback on the development of new compliance and enforcement arrangements for DER technical standards?**

The ETU recognises the need to develop appropriate, risk-based compliance and enforcement models that are clearly understood by all stakeholders and able to be complied with. There is also a strong need for any deterrents to be enforceable and actionable in a timely fashion.

To achieve this kind of approach the performance measures and standards associated with the compliance and enforcement work of the committee will need to be clear, transparent, and well promulgated. It will also be important to establish uniformity and transparency in the reporting and data metrics while ensuring any data-warehouse used to support this work is as broadly accessible to industry as possible.

**Q6. Do you support the proposed composition of the membership and nature of chair of the Committee? Please provide reasons or nominate alternative arrangements.**

No. The ETU has been raising regularly that the processes associated with engagement and consultation on energy related matters are seriously flawed. It is designed to only allow meaningful participation of large, well-resourced organisations with teams of dedicated professionals working full time on the issues being discussed.

Change in the energy sector is almost entirely absent any meaningful engagement with energy industry workers and their Unions. It is our experience that there is significant disparity in the level of engagement with different energy stakeholders with selected organisations receiving briefings, phone calls and emails about key issues while other stakeholders, such as our Union, are left to monitor a myriad of complex websites hoping to find out when an opportunity to contribute may arise.

Australia is in the midst of a radical energy transition that is having a disproportionate impact on energy industry workers, yet they are almost unilaterally excluded from meaningful engagement and consultation.

Historically, the ETU has been engaged in the earlier periods of the initial energy transition when household solar was first being deployed on a larger scale, bolstered by the early high rates of feed in tariffs set by State and Territory Governments. The impacts of these early programs were initially absent engagement and consultation with workers representatives despite many ETU members predicting all the voltage issues, network constraints and safety implications that manifested shortly after the deployment ramped up.

The resultant increases in call outs, reports of 'tingles' from taps, transformer failures and household appliance damage along with network constraints such that many households ended up being (and remain) unable to export to the grid were all entirely predictable. These were the issues being discussed in ETU members workplaces in this part of the industry constantly. So too were the safety implications such as early policies adopted by emergency services to treat houses with solar panels as live, effectively determining the property would be left to simply burn and the focus was on containing the fire to the single property. A policy which was finally removed once a fairly straightforward technical solutions, which our Union was heavily involved in developing, were

developed to give assurance to emergency service personnel that the property was indeed electrically isolated.

The ETU has over a 100 years' experience in advocating for and developing practical regulatory reform for our industry, yet we continue to be excluded from these processes.

The ETU currently sits on all Australian Standard committees associated with the industry along with both Federal and State industry skills councils, licencing boards and many other similar fora and have a wealth of both experience and industry networks relevant to the role.

As the largest single representative body in the electrical industry, the ETU should be an obvious candidate for representation on a DER Technical Standards Committee.

**Q7. Do you support the proposed terms and selection arrangements? Please provide reasons.**

The ETU recognises the need for skills-based appointments, acknowledging that this proposal appears to include a mixture of skills based and nominating-organisation based appointments. It is entirely achievable to have a nominating-organisation based appointment process that also requires sponsoring organisations ensure their nomination have the appropriate skills for the role.

It would be inconsistent to have a mixture of nominating-organisation based appointments and skills-based appointments.

The committee should be established by identifying the most appropriate stakeholder participation and then requiring those organisations to nominate appropriately skilled members to the committee.

**Q8. Do you have any feedback on the other elements of the proposed operation of the Committee?**

Not at this time.

**Conclusion**

In closing I would like to reiterate the ETU's concern with the lack of meaningful engagement with energy industry workers and their representatives. There is an untapped resource of industry knowledge and expertise a committee, such as the one proposed, must consider how to better engage and consult with. Absent ETU representation our Union would oppose the establishment of a DER Technical Standards Committee.

Should you wish to discuss the matters we have raised further, please feel free to contact our National Policy Officer Trevor Gauld at [trevor@etuaustralia.org.au](mailto:trevor@etuaustralia.org.au).

Yours Sincerely,

Allen Hicks

**National Secretary**