



8 June 2017

COAG Energy Council Secretariat
GPO Box 9839
Canberra ACT 2601
Email: energycouncil@environment.gov.au.

Dear Secretariat

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

Thank you for the opportunity to comment on the *Consultation Paper: Cost Benefit Analysis of options to collect and share information about small scale battery storage*.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

The objectives of a register for small scale battery storage are improving the power system and network security along with protecting the safety of consumers and others such as line workers, installers and emergency workers.

COAG recognised this and its Energy Market Transformation Project Team (EMTPT) then commissioned a cost benefit analysis of a range of options to collect and share information about small-scale battery storage.

EWON notes that the cost benefit analysis identified that, while at the present time 100% of photo-voltaic systems are identified and registered, only 30% of new battery installations are captured.¹ This clearly points to the need for a national register.

EWON welcomes the draft cost benefit analysis conclusion that a battery storage register is economically viable and that there are significant qualitative benefits, that could not be captured quantitatively, which would further increase the benefits that would flow from the establishment and operation of a register.

¹ P12 [Consultation Paper: Cost Benefit Analysis of options to collect and share information about small scale battery storage](#).

Our responses to the consultation paper discussion points

Database hosting

The consultation paper asks stakeholders whether they prefer a register hosted by the Australian Energy Market Operator (AEMO) or the Clean Energy Regulator (CER). EWON has no preference other than to note that access to information by all relevant parties is a key requirement in determining where the register should be hosted.

Information requirements

The consultation extensively lists the information requirements of various stakeholders along with the uses that each stakeholder would make of that information. EWON agrees that a wider collection of information is preferable. EWON also agrees the consultation has correctly identified the key stakeholders that need to access the information.

Qualitative benefits

The safety benefits that flow from the existence of a national register of small scale battery storage are significant. For emergency responders, having installation information and therefore correct equipment available is vital as it will contribute to greater safety and more efficient responses to emergencies. In regions prone to bushfires and other natural disasters the information held by a national register will contribute to more effective disaster management planning.

Further, a national register will be of great benefit for authorities and business in planning a disposal strategy as batteries come to the end of their life span. This will avoid some of the problems that have arisen from the unplanned disposal of other hazardous materials and products such as asbestos. There will also be a significant advantage should there be a need for a product recall of a faulty model of battery.

All of these qualitative benefits are, in EWON's opinion, of such a benefit that they alone would be justification for establishing a national register. When combined with the quantitative benefits established in the cost benefit analysis then the case for proceeding with the national register is fully made.

Consumer confidence

In Energy Consumers Australia's most recent Energy Consumer Sentiment Survey a key result was that:

Less than one third of households (30 per cent nationally) and 41 per cent of small businesses are confident that the energy market is working in their long term interests.²

Similarly, the Energy Networks Association's Electricity Network Transformation Roadmap proposed five key areas of change which are required to achieve the best possible outcomes for consumers and networks by 2050; with an important first step being improving the trust of consumers.³ The Roadmap identified one of the key ways of doing this is the development of a robust consumer protection framework to enable consumers to make confident, informed choices in new markets.

² P6 [Energy Consumer Sentiment Survey Findings December 2016](#)

³ P6 [Electricity Network Transformation Roadmap Final Report Summary](#)

Knowing that product and consumer safety is being addressed, is an important step to ensure that consumer confidence is promoted. The establishment of a national register that contributes to increasing consumer safety, and promotes a framework for a more reliable energy system, provides a further significant reputational benefit. This is another qualitative benefit that adds to the overall case for the cost effectiveness of a national register for small scale battery storage.

If you would like to discuss this matter further, please contact me or Rory Campbell, Manager Policy & Research on (02) 8218 5266.

Yours sincerely

A handwritten signature in black ink that reads "Janine Young". The signature is written in a cursive, flowing style.

Janine Young
Ombudsman
Energy & Water Ombudsman NSW