



**EnergyAustralia**

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### **COAG Energy Council – Energy Storage Register Consultation Paper – 25 August 2016**

EnergyAustralia is one of Australia's largest energy companies with over 2.5 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market.

We appreciate the opportunity to provide some higher level comments on the issues raised in the above paper, noting the early stage of this process. We have used the questions posed in the consultation paper to frame our response, without having answered each of the specific questions.

#### **Establishment of a register**

At this time we do not consider that the rationale for creation of a register of energy storage systems has been clearly explained. Three high level purposes were set out as potential drivers of the establishment of a register. These proposed purposes are emergency response, safety and industry integrity, and power system planning and operation. The paper does not provide detailed justification for these purposes. We consider that each of the purposes would have quite separate requirements for any register and so clarification of its primary function is required. We note that the paper is focussed on some of the preliminary design questions, however without better understanding the justifications behind proposed purpose and uses of the register we don't believe that we can provide detailed comments on specific design requirements.

The emergency response purpose may warrant some further consideration, however it is not clear that the potential issues outlined in the paper require a centralised information collection and recording system. We consider that the potential risks posed by energy storage devices, particularly residential or small business sized storage systems, need to be more clearly set out in order to determine if they warrant additional information being collected for emergency response teams. These risks must also be assessed with regards to potential new storage technology or innovation in how storage is embedded within the home (such as appliances with in-built energy storage i.e smaller scale battery storage contained within a smart appliance that stores energy from solar or off-peak sources for use during times when prices are high or PV solar is no longer producing power).

There would also need to be consideration of the potential risks posed by electric vehicles and their larger battery storage capacity. Any register would be unlikely to provide accurate details regarding electric vehicles to emergency responders given their mobile nature.

For commercial or industrial sized storage systems, signage requirements similar to other hazardous material warnings that are already in use may provide a lower cost alternative.

In respect of the safety and industry integrity purpose, the proposed data to be collected under relevant requirements is likely to be highly detailed. The consultation paper envisages data down to the level of battery technology, battery capacity, model numbers, circuit arrangement, installer details, installation date and electrical wiring/setting. This would require a far more comprehensive register, with increased requirements on providing information. This would also lead to increased access costs as users seek to access this information from the register. We suggest that the proposed benefits be weighed against these potentially substantial costs. In response to concerns about decommissioning and disposal, prohibitions on discarding such systems in an unsafe manner may be more cost effective. Additionally, recycling options are likely to provide an incentive for battery storage systems to be decommissioned and disposed in a responsible manner.

The power system planning purpose needs to be viewed in light of existing work streams to record data relating to energy storage and other demand side response systems. Power system planning requirements for information, particularly at the residential or small business level, are unlikely to require that detailed locational information, such as the street address or even location of a battery storage system within a property, is captured.

Following a determination in March 2015 by the Australian Energy Market Commission (AEMC)<sup>1</sup>, the Australian Energy Market Operator (AEMO) is already conducting pre-consultation on Demand Side Participation Information Guidelines<sup>2</sup>. These Guidelines would potentially seek data on the volume of demand response that would be necessary for power system planning purposes. This may include aggregated information detailing end-use customers on tariffs that would allow them to make use of storage systems, or other methods, for demand response purposes. Depending on the final mechanism determined by AEMO, this process is likely to be more useful for power system planning purposes than a locational register of storage systems.

### **Register design and access**

If an energy storage register were to be established then it would need to be clearly aligned to a well-defined purpose. It would also need to be flexible enough to cater for future innovations and developments as well as providing certainty around the information that is to be captured. This clarity can be provided through properly developed definitions of the systems that will be covered, including what systems constitute a battery storage system and thresholds for when information is to be captured.

Given the differing and discrete purposes put forward for creation of the register, there is potential for information that is gathered to be specific to one of these purposes. It follows that any users seeking access to the register should only have access to information specific to their purpose - i.e. emergency response organisations would not require access to information collected for power system planning requirements and vice versa.

As has been raised in other consultations on demand response mechanisms, information regarding demand side capabilities has the potential to be commercially sensitive. This is particularly true of larger scale commercial/industrial operators who may wish to ensure

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<sup>1</sup> <http://www.aemc.gov.au/Rule-Changes/Improving-Demand-Side-Participation-information-pr>

<sup>2</sup> <http://www.aemo.com.au/Stakeholder-Consultation/Consultations/NEM-Demand-Side-Participation-Information-Guidelines-Consultation>

contractual arrangements around their demand response capabilities are not disclosed. Appropriate mechanisms would need to be in place to ensure the integrity of the register and restrict access to confidential information.

### **Administration of the register**

In the consultation paper the possibility of state-based registers was discussed. We consider that where possible a nationally consistent register would be preferred to ensure that costs were kept as low as possible and that information collected was not inconsistent across each of the states participating in the National Energy Market. Without specific details on the requirements and primary purpose of any such register, it's not clear which body should act as administrator.

EnergyAustralia is keen to continue engaging with the Energy Council on the above issues, to ensure the best outcomes for the market and customers.

If you would like to discuss this submission, please contact Chris Streets on (03) 8628 1393.

Regards

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