



## ENERGY MARKET TRANSFORMATION PUBLIC CONSULTATION: RELEASE OF BATTERY STORAGE; STAND - ALONE SYSTEMS; AND CONSUMER PROTECTIONS ISSUES PAPERS

### Background

The energy sector is undergoing a major transition, driven by changing technologies, increasing consumer engagement, new business models and climate change policies. The COAG Energy Council considers these changes will lead to a more diversified and dynamic electricity market, providing opportunities for increased competition and greatly expand the choices that consumers have to manage their energy needs.

The Energy Council seeks to support the development of competitive electricity markets with low barriers to entry which foster innovation, customer choice and support the delivery of efficient services that serve the long term interests of consumers.

To do this, it is critical that the laws and rules governing energy markets evolve in such a way that they support and appropriately accommodate technological change.

In December 2015, the Energy Council endorsed an Energy Market Transformation work program to ensure the national electricity frameworks remain flexible and responsive to change in Australia's electricity markets. The Energy Council seeks to ensure that the existing national frameworks is enabling efficient investment and use of the power system, as well as enabling consumer choice in this increasingly dynamic market. The Energy Council is continuing its work on the following four themes:

- Enhanced Competition and Innovation
- Empowering Consumers
- Ongoing Power System Security
- Efficient Investment and Operation of Electricity Infrastructure.

For further information on these work streams including the Energy Market Transformation work program see <http://coagenergycouncil.gov.au/current-projects/energy-market-transformation>.

### Consultation

As part of this work program, the Energy Council has endorsed

the release of three issues papers seeking stakeholder views and feedback. Below is a brief summary of issues the Energy Council is seeking stakeholder engagement on:

#### *Stand-Alone Systems*

Stand-alone systems using distributed generation and storage technologies are emerging as an alternative supply option. Generally, stand-alone systems are not currently captured under the national frameworks, and are subject separate jurisdictional legislation. A key policy question going forward is whether there is value in regulating stand-alone systems under the national framework, and if so how this should occur. The Energy Council has released an issues paper to start consultation on key issues which could be considered as part of that framework. This includes the types of systems which could be included, what the framework could cover, and the issues which should be considered if a regulatory framework was to be further developed.

#### *Consumer Protections*

Energy-specific consumer protections provided by the National Energy Customer Framework were designed under the assumption most customers would receive their electricity supply from the interconnected electricity system under a retail contract. New business models and new technologies have emerged for the sale of electricity to customers 'behind the meter', and therefore fall outside of the current energy frameworks. The Energy Council is seeking stakeholder views on a consumer protections issues paper exploring behind the meter systems.

#### *Battery Storage*

Interest in energy storage, particularly battery storage is growing in Australia. These technologies will impact the electricity market, and the Energy Council has initiated a work program to identify and understand key regulatory and policy issues including safety, installation, connection, maintenance, operation and disposal. The Energy Council has released an issues paper on the merits of a registration system for batteries to support market operation and emergency response. The paper also seeks views on the registration body's structure, governance, regulatory implications of a register; and how this body might link to existing data sources.



Officials are seeking stakeholder's feedback on the issues and questions outlined in the above three papers, with a view to informing preliminary advice to Ministers at the next Energy Council meeting.

#### **Stakeholder Forum and Submissions**

The Energy Market Transformation Project Team is proposing to hold a forum to open discussions with stakeholders on the Energy Market Transformation work program, and specifically the three issues papers. Given the cross-over of issues for these work streams, officials are proposing to hold a single-day workshop to discuss the issues contained in the three papers.

The forum is proposed to be held at Melbourne Airport on **Tuesday 6 September 2016**.

Following the forum, stakeholders may also provide written submissions to the Energy Council Secretariat:

[energycouncil@industry.gov.au](mailto:energycouncil@industry.gov.au).

<b>Issue</b>	<b>Forum Date</b>	<b>Submission due</b>
Stand-alone systems	6 September 2016	4 October 2016
Consumer protections	6 September 2016	4 October 2016
Battery storage	6 September 2016	20 September 2016

#### **Further Information**

If you would like further information on the Energy Market Transformation work program please contact the Energy Market Transformation Project Team at: [energytransformed@industry.gov.au](mailto:energytransformed@industry.gov.au).

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