

9 June 2017

COAG Energy Council Secretariat

By Email: energycouncil@environment.gov.au

SUBMISSION – COST BENEFIT ANALYSIS OF OPTIONS TO COLLECT AND SHARE INFORMATION ABOUT SMALL SCALE BATTERY STORAGE

Energy Safe Victoria (ESV) is the independent safety and technical regulator responsible for electricity, gas and pipeline safety in Victoria.

Our role is broad and ranges from accepting industries' safety cases, plans and safety management schemes for the design, construction and maintenance of electricity, gas and pipeline networks across the state to regulating against standards and administering regulations covering gas and electrical appliances, installations and energy efficiency.

This submission is provided by Energy Safe Victoria and does not represent the Victorian Government's view or policy.

The cost benefit analysis (CBA) purports to examine the cost and benefits of a compulsory register of battery storage systems, however it does not articulate the problem or risk that is to be solved nor does it consider other alternatives, for example Distribution Business or supplier held databases.

It is vital that at this stage of introduction of emerging technologies aimed at reducing greenhouse gases and ensuring stability of energy supply that no unnecessary burden or cost is placed on consumers that will slow or prevent this uptake.

Safety

The soon to be released Australian standard for storage system installation AS/NZS5139 will require premises with storage systems to have signage showing the type of battery installed and the location of the battery. This is similar to the current requirements for solar installations, Hazchem, LPG, hybrid and electric cars and should provide adequate information for emergency workers and tradespeople attending site.

The existing design requirements for inverters and controllers ensure that any energy generation system that connects to the grid automatically disconnects from the electricity grid in the event of a grid failure thus protecting lineworkers.

Both these requirements have been in place for many years and are effective and impose minimal cost on the installers.

Stored energy capacity and use by network operators

The Victorian Electricity Distribution Code already places a requirement on owners of generation units that export power to the grid to notify the distribution company of the connection type and capacity of the system. This enables the Distribution Business to enter into an agreement with customers for use of stored energy. Additionally AMI smartmeters in Victoria record the export of power to the grid allowing the Distribution Business to detect 'unregistered' systems.

Change of regulations

Discussion point:

A regulatory approach has been proposed because there presently are no proposed incentives for reporting. Some stakeholders identified regulations that would require amendment if a register were to go ahead. These include:

- Plumbers, Gasfitters and Electricians Act, 1995 (PGE Act) in South Australia, so that the definition of electrical installation does not allow non licensed electricians to install batteries
- Each of the following to require installers to provide requested data to a battery register host:
 - o The Electricity (General) Regulations 2012 made under the Electricity Act 1996 (South Australia)
 - o The Occupational Licensing Act 2005 (Tasmania)
 - o Electricity Safety (Installation) regulations 2009 made under Electricity Safety Act 1998 (Victoria)
 - o Electricity (Consumer Safety) Regulation 2015, Electricity (Consumer Safety) Electricity Act 2004 (NSW)
 - o Electricity (Licensing) Regulations 1991 made under the Electricity Act 1945 (Western Australia)
- Australian Standards AS/NZS 3000 (Wiring Rules), to require that information from a wider collection of installations and equipment is required to be given

Are there any other regulations that would require amendment? Is it possible to quantify the cost of a single regulatory change?

Are there any issues with changing these regulations to capture batteries?

ESV is reluctant to change legislation to make a non-safety related function the responsibility of the installer (electrician). The Certificate of Electrical Safety (COES) system in Victoria is designed to ensure the electrical safety and compliance of electrical installations through self-certification, inspection and audit. The COES system is not designed to gather data unrelated to electrical safety or to share this data with external parties.

The cost of changing the COES system and the Electricity Safety Act and regulations would be in excess of \$600,000 and risks placing impediments to uptake of new technologies.

In order to change the Act and regulations a cost benefit analysis, public consultation and approval by the Victorian Government would be required. The definition of electrical installation work may need to be changed to include some Extra Low Voltage (ELV) systems without capturing all ELV work like door bells and garden lighting. If ELV was to be included this would then require a licenced electrician to do the work adding to costs.

Conclusion

ESV is not opposed to a central database of storage systems. It notes that the 2 models proposed would result in additional costs to consumers. If the system is to be relied upon by emergency services it must be readily available at all times and be up-to-date and accurate.

If you require any further information please contact me on 03 92039700

Yours Sincerely



Neil Fraser

DEPUTY DIRECTOR