



PO Box 4136  
East Richmond VIC 3121  
T 131 806  
F 1300 661 086  
W redenergy.com.au

PO Box 632  
Collins St West VIC 8007  
T 1300 115 866  
F 1300 136 891  
W lumoenergy.com.au



9 June 2017

Energy Market Transformation Project Team  
COAG Energy Council Secretariat  
GPO Box 9839  
Canberra ACT 2601

Submitted electronically

Dear Sir/Madam,

**Re: Cost Benefit Analysis of options to collect and share information about small scale battery storage**

Red Energy (Red) and Lumo Energy (Lumo) welcome the opportunity to respond to the Energy Market Transformation Project Team (the Project Team) on this Cost Benefit Analysis (CBA) Consultation Paper (the consultation paper).

Red and Lumo understand the need to collect information regarding small scale battery storage for system and network security. We agree that understanding the prevalence and location of batteries in the NEM could enable the Australian Energy Market Operator (AEMO) to better forecast for future generation, and to uphold grid reliability. We agree to an extent that network businesses may also benefit from this data, where the data enables them to avoid or defer capital expenditure. However, we question the granularity of data requested by the networks in particular. Any battery storage register developed must not be used as a vehicle for regulated businesses to gain commercially sensitive information under the guise of network planning and security.

**Small scale batteries in residential homes**

Our experience suggests that most small scale batteries installed today are engineered to reduce consumption from the grid in the home. Other than a few consumers currently engaging with market platforms such as Reposit Power's 'GridCredits' software, the vast majority will likely never export a single kWh over the lifetime of their battery. While this will change over time as technologies and the resulting economics of batteries evolve, it is not prudent to assume that all consumers will be interacting with wholesale markets and discharging their batteries into the grid commonly.

**Information requirements**

With the above in mind, it is imperative that the information requested is capable of meeting the objectives sought. We have characterised the required information into a number of categories. Of concern to us is the data that is unobtainable or publically available, data that is variable post-installation, and data that is unrelated to the primary objective of improving power system and network security, and safety. Further clarification is provided in table 1 below.

**Table 1:**

| <b>Data Category</b>             | <b>Data requested</b>                    | <b>Concern</b>   |
|----------------------------------|--|--|
| <b>Unobtainable Data</b>         | Performance derating                     | Battery derating depends on operation and depth of discharge. At this stage, it is not accurately determined at time of install.   |
|                                  | Decommissioning date                     | We do not envisage decommissioning information to be updated consistently given added costs for no benefit to the consumer impacted. This raises concerns over the validity of the data.   |
| <b>Publically available data</b> | Trip setting (inverters)                 | This is regulated through Australian Standards, and as such is not sufficiently variable to warrant separate inclusion.  |
|                                  | Trip setting (frequency and voltage)     | As above, also regulated through Australian Standards.   |
| <b>Variable data</b>             | Enabled mode of operations (inverters)   | Customers are able to change the mode of operations after installation, making this data point worthless. Making assumptions on inaccurate data will affect its ability to achieve the objective.  |
|                                  | Demand side participation (DSP) contract | Similar to the operation of inverters above. DSP contracts will likely change, possibly frequently, as the market evolves. Capturing the initial DSP contract information will provide no benefit to AEMO or the network in the long term. |
| <b>Unrelated data</b>            | Customer details                         | We see no correlation between network security and the need for individual customer details. The register must not be utilised by regulated monopoly businesses for commercial means.  |
|                                  | Storage kWh                              | Consistent with customer details, while the capacity in KW allows a network and AEMO to predict the impact of discharge, the kWh's stored does not. The register must not be utilised by regulated monopoly entities for commercial means. |
|                                  | Manufacturer, make and model number      | We see no correlation between network security and the need for manufacturer and model details. Technical capability of the battery installation achieves the stated objective.  |

### Preferred host

Red and Lumo consider the Clean Energy Regulator would be best placed to host the database, given the efficiencies that can be obtained through the existing REC register.

## About Red and Lumo

Red and Lumo are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria and New South Wales and electricity in South Australia and Queensland to approximately 1 million customers. Through our Red Energy brand, we currently offer and install solar and battery storage systems into the homes of our customers.

Red and Lumo thank the Project Team for the opportunity to respond to this consultation. Should you have any further enquiries regarding this submission, please call Ben Barnes, Regulatory Manager on 03 9425 0530.

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.

**Ramy Soussou**

General Manager Regulatory Affairs & Stakeholder Relations

**Red Energy Pty Ltd**

**Lumo Energy Australia Pty Ltd**