

20<sup>th</sup> June 2016

To  
Energy Market Transformation Project Team  
Energy Council of Australian Governments (COAG)

**Re: Energy Storage Registration Consultation Paper**

Dear Sir/Madam

Thank you for the opportunity to comment on Energy Storage Registration.

Reposit Power adds IQ to distributed energy systems. This allows consumers with batteries to lower their bills and earn GridCredits via trading with Retailers and Networks.

Reposit's role is to facilitate and advocate for consumer participation in energy markets.

***Reposit believes in a transparent and efficient electricity market – but not a storage register.***

Reposit agrees that home energy batteries will in time have an impact on the electricity markets. Market-interactive batteries, such as those managed by Reposit, are already exposed to the market; the market can 'see' and respond to them. Such batteries are playing a positive role, responding to price spikes and intermittent renewable generators. There is therefore no need to register individual batteries where they are market interactive. In any case AEMO is seeking to register aggregated capacity via its Demand Side Participation rule change and Reposit suggests it is left to AEMO.

'Dumb' grid-connected batteries are potentially a larger issue for the market. This 'hidden capacity' working on control schemes that have no awareness of the market can cause system instability. Reposit believes such batteries should be discouraged. Because these batteries are running poor quality software, they fail to help achieve a low cost, reliable, and clean electricity sector. They are a wasted opportunity to help offset grid augmentation costs. They are not working hard enough to lower consumer bills. And they are failing to allow the demand-side to respond to a generation fleet which is becoming more intermittent as we adopt renewable energy. Establishing a register is an admission of defeat. It is far better to encourage batteries to be market responsive, which removes the need for the register in the first place.

***Reposit does not believe that COAG should establish a register justified on the grounds of safety.***

Reposit is not an expert in storage safety but makes general points about COAG's justification of a register on safety grounds.

First, the discussion paper has a presumption of risk to consumers and emergency personnel. It should be properly established what the risk rating really is, and how this is best mitigated before imposition of regulation. For example, the Australian Building Codes Board recently made a statement that there had never been a reported battery fire despite a large installation base (UPS systems for example have been widely used for decades)<sup>1</sup>.

Second, the consultation paper treats home electricity batteries as a special category of battery with respect to safety. Why? Of course there are many smaller batteries using similar chemistry in a modern home. Increasingly there will be packs of comparable size in things such as cars, lawnmowers, mobility scooters, and power tools. It quickly becomes apparent that a register imposed on a home energy battery and not other types of batteries is inconsistent and will render such a register unable to usefully inform the target audience.

<sup>1</sup> Benjamin Cripps, ABCB, Presentation to the ACT Battery Storage Safety Forum 2015

Third, It is no small matter to require the disclosure of appliances installed in citizens' homes. Governments should resist, as far as possible, such intrusions.

Fourth, risk management should be achieved in the least cost manner. Normally it is far cheaper that system safety is 'designed into' the product rather than attempting to mitigate for real or perceived risks once installed. This is the role of product standards. Much work is already occurring in this area and it is not necessary for COAG to impose additional regulation.

***Reposit believes in encouraging and empowering consumer participation in the operation of the electricity grid and electricity market.***

As outlined above, Reposit believes that the deployment of distributed residential energy storage has significant potential to empower positive consumer participation in the operation of the electricity grid and electricity market. In targeting this goal, care should be taken to ensure that additional costs of acquisition and regulation are not unduly imposed on customers, who ultimately will be forced to pay for them. The creation and operation of the proposed register will undoubtedly impose additional cost on the customer (either directly or indirectly), potentially disincentivising the acquisition and operation of market-interactive energy storage systems.

Reposit Power appreciates the opportunity to comment on the proposed energy storage register but does not support the proposal for the reasons outlined herein.

Yours sincerely,

The Board of Directors, Reposit Power Pty Ltd.