



wattwatchers
DIGITAL ENERGY

July 28, 2020

Submission to ESB Governance of DER Technical Standards Consultation Paper

Wattwatchers Digital Energy (Wattwatchers) welcomes this opportunity to provide feedback on the ESB Governance of DER Technical Standards Consultation Paper.

Wattwatchers is an Australian technology company focused on intelligent, open and non-proprietary, consumer-friendly solutions for an electricity-powered 21st century.

Our solutions suite spans devices, datasets, analytics, software and Internet of Things (IoT) connectivity, for energy and non-energy applications across home, community, commercial and industrial, and utility use cases.

Our horizontal Energy Data Hub model promotes technology collaborations, with dozens of third-party partner integrations with our RESTful API - in Australia, and internationally.

Product brands include Wattwatchers (hardware and data to the cloud), mydata.energy (native app - in development) and ADEPT (agile IoT platform for managing multi-technology fleets in real-time, including a core focus on DER).

Multi-year projects include My Energy Marketplace (MEM), backed by \$2.7 million in grant funding from the Australian Renewable Energy Agency (ARENA); and MyTown Microgrid, supported by a \$1.8 million grant from the Australian Government through the Regional and Remote Communities Reliability Fund - Microgrids Program.

Wattwatchers is an active participant in relevant OEM/tech vendor collaborations including the industry grouping which recently produced and launched the voluntary DER Visualisation and Monitoring Best Practice Guide - see <https://dermonitoring.guide>; and also the AEMO DER API Technical Working Group.

In making a submission to this and similar or related consultation processes - as a small and resource-constrained scale-up business, but also as an emerging solutions provider with well over a decade of experience in the Australian energy marketplace - we urge that particular attention needs to be applied to:

- Engagement and deliberate inclusion of the energy tech community to directly counter the power and influence imbalance between long-established industry incumbents and emerging innovators
- Protection of the ‘opportunity space’ for ongoing innovation and positive disruption
- Maximising understanding and inclusion of consumer perspectives and rights

RESPONSES TO SPECIFIC STAKEHOLDER QUESTIONS

A Wattwatchers representative participated in an ESB webinar briefing on the Committee proposal on July 21, and also in a new technology vendors group briefing session, with ESB representatives, on July 22.

Q1. Do you support the proposal to establish a DER Standards Governance Committee under the National Electricity Rules? If not, what alternative would you suggest?

Yes, Wattwatchers broadly supports the proposal, and is substantially aligned with the intent and proposed implementation path. We urge the ESB to redouble its welcome early efforts to ensure that the proposed Governance Committee incorporates strong independent DER expertise, and that it specifically addresses innovation and consumer rights (including data rights), including in recognition of the context that there is:

- A lack of engagement with the ‘new energy’ sector. Companies offering new energy technology solutions are often more thinly resourced and don’t necessarily have the capacity to spend large amounts of time engaging in multiple committees across multiple agencies and responding to countless consultation processes.
- A lack of transparency in the traditional energy sector, such as DNSPs having no regulatory obligation to provide updated connection standards to industry (or consumer groups) for comment. Equally, there is no clear requirement for up-to-date connection standards to be maintained and publicly accessible.

It is vital that the Governance Committee’s membership is appropriately balanced and its existence is appropriate as longer-term developments become apparent from the Post 2025 Market design work, where that has relevance to DER technical standards.

While we are attracted to arguments in favour of a major root-and-branch overhaul of the energy marketplace in Australia to make it fit for Grid 2.0, we nonetheless accept the pragmatic reasons behind establishing this Governance Committee under the National Electricity Rules (NER) as being the most straightforward approach currently available.

**Q2. Do you support the DER Standards Governance Committee being advisory or be determining?
Please provide reasons.**

While we recognise the substantial inadequacies of the status quo, Wattwatchers has initial reservations about the Governance Committee being given a full determining role from day one, before it is established and builds a track record that inspires confidence among key stakeholders.

We note, however, the Consultation Paper's recommendation that the role should be more than an advisory one, so would prefer consideration of a hybrid model as the starting point. The nature of the role ongoing, on the spectrum between advisory only and fully determining, should be specifically tagged for an in-depth review after the initial three years of operation.

We could become more comfortable with a determining role provided that there is an appropriate balance in the Committee, that its development of and final decisions are transparent, and that there is a clear technical working group structure (with good representation and input from DER industry and consumer representatives). In this case, however, there should be a very clear pathway for decisions to be challenged and for disputes to be resolved through pragmatic means, as far as practicable.

Q3. Do you have any feedback on the proposed functions of the DER Standards Governance Committee?

Wattwatchers subscribes to the view that the quest for 'standards' in the DER sector features a lot of grey areas. Communications protocols reflect this inherent uncertainty.

It is important to highlight the need for:

- Providing DER vendors with the ability to effectively respond
- Ensuring that consumers can maximise benefits from their technology investment choices
- Maintaining a coordinated approach to industry transition that takes into account what is happening in the market and other regulatory activities (eg. Post 2025 Market design related, DER pricing and access, DNSP connection requirements, API developments, site shut-down 'emergency backstop' proposal etc.).

In common with a number of other new technology vendors in the energy space, we urge the ESB to ensure that the numerous working groups and activity underway today - being led by industry, including the various API working groups and the DER Best Practice Guide - are not overshadowed by AEMO's process, a new AEMC rule change or ignored by a newly established body. It is submitted that the DER Standards Governance Committee should seek to engage with and have - at the very least - strong interaction with these various working groups *as well as* ensuring strong engagement with and representation from the DER industry. With regard to AEMO, it is vital that the Committee plays a role in ensuring that technical standards developed have customer/vendor interests appropriately considered, to ensure the best outcomes for consumers and DER owners.

Q4. Do you have any feedback about the Committee determining standards in a subsidiary instrument under the rules?

Wattwatchers is cautious about having a blanket approach. This may be appropriate for some ‘standards’, and not for others.

Regardless of what instrument is used, it is critical that there is appropriate transparency and appropriate periods for the industry to be consulted.

Given the longer-term energy transition agenda, a degree of caution is advisable. As the Post 2025 Market Design work is progressed, it may be appropriate to keep options open if some things are best left as being ‘advised’, by way of interim guidance, while others should be ‘determined’ where great clarity and unity is apparent across the stakeholder universe. Indeed, such a pathway may be specifically appropriate to some DER standards as things are practically emerging and evolving from a technology and product perspective, and relevant new technologies are far from reaching a ‘steady state’ level of maturity..

Q5. Do you have any feedback on the development of new compliance and enforcement arrangements for DER technical standards?

Again in common with a number of our new technology peers, Wattwatchers contends that any new requirements for compliance and enforcement should have clear and workable implementation arrangements and be designed to ensure wide adoption and interaction. New arrangements (if developed) should be appropriate to the product and level of apparent (probabilistic rather than deterministic) risk. Consultation on costs, structures and approvals for compliance and implications for non-compliance/enforcement should be undertaken with a focus on OEM developers and consumers, who will largely bear any increased cost implications at the purchase point.

Q6. Do you support the proposed composition of the membership and nature of chair of the Committee? Please provide reasons or nominate alternative arrangements.

As was canvassed in the new technology vendors session with ESB representatives on July 22, Wattwatchers supports adding an additional OEM / DER representative. As noted in those ESB discussions with DER industry stakeholders, getting one person to represent the diverse mix of OEMs in Australia that is recognised as a leader technically and commercially will be difficult to achieve. It would be better to aim to get one representative who is highly technically competent in another representative who is highly commercially competent.

Wattwatchers supports ensuring that the Chair of this Committee has a good consumer / customer background in addition to their DER industry background.

Q7. Do you support the proposed terms and selection arrangements? Please provide reasons.

Yes, Wattwatchers is broadly supportive of the proposed terms. We would welcome:

- Requirements for the appointees, or nominees, to get the endorsement of industry stakeholders as part of the process
- Measures to ensure gender and ethnicity balance in appointments and leadership of the Committee and in its sub-committees/subordinate technical working groups.

Q8. Do you have any feedback on the other elements of the proposed operation of the Committee?

Simply, Wattwatchers would reiterate our urgings that the ESB should apply particular attention to ensuring:

- Engagement and deliberate inclusion of the energy tech community to directly counter the power and influence imbalance between long-established industry incumbents and emerging innovators
- Protection of the ‘opportunity space’ for ongoing innovation and positive disruption
- Maximising understanding and inclusion of consumer perspectives and rights

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