

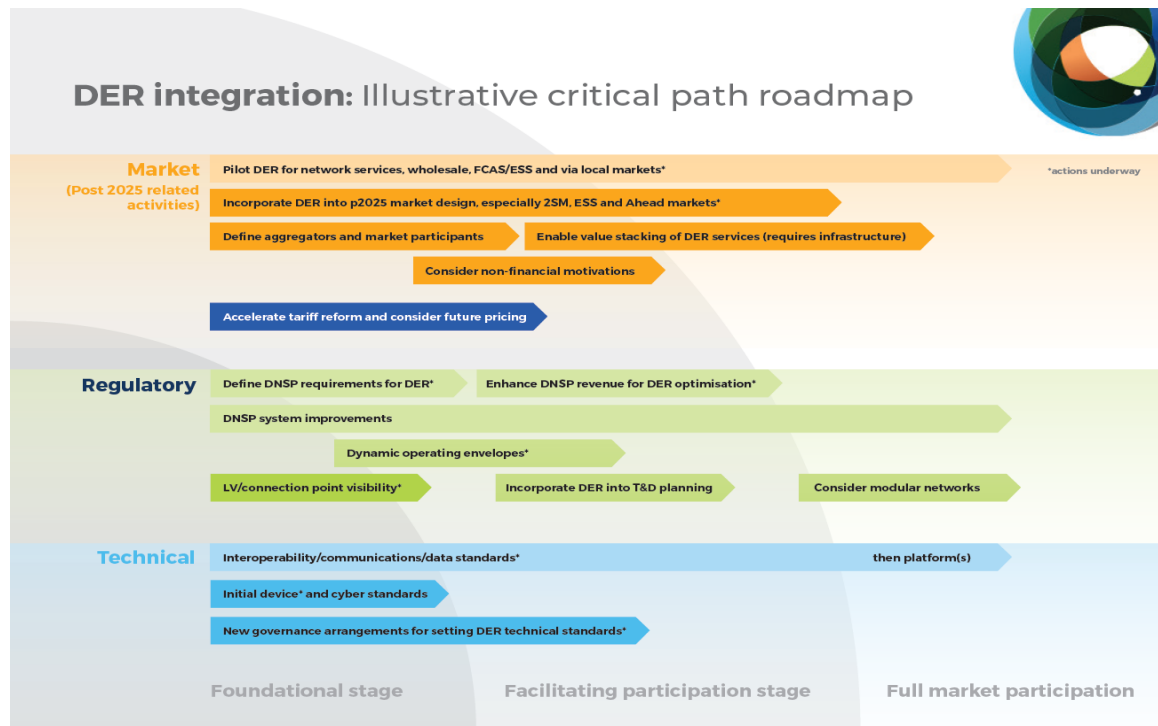
# Distributed Energy Resources (DER) Workplan Four-Monthly Report #3: October 2020 Update

## The ESB DER Roadmap and workplan update

The Energy Security Board DER Steering Committee (DER SteerCo) has updated 2019's [DER Integration Workplan](#) to include a [Roadmap](#).

The DER Integration Roadmap sets out the technical, regulatory and market integration opportunities and challenges with the overarching objective to optimise the benefits of DER for all electricity system users, regardless of whether they own DER or not. It includes a critical path between now and 2025, as well as the short-term workplan.

### DER integration: Illustrative critical path roadmap



## Opportunities for involvement over the next four months

The following DER actions will have opportunities for stakeholder engagement over the next reporting period:

- Post2025 Market Design consultation paper – submissions due 19 October
- DEIP Operating Envelopes – webinars and workshops October-November
- AEMC rule change process on initial DER minimum technical standards: draft determination due 3 December 2020
- AEMC rule change process on distribution access and pricing: draft determination due 19 November 2020
- AER Value of DER study: Customer consultation process commences in Q3 2020.

## Major achievements over the last four months

- **DEIP Operating Envelopes workstream established:** ARENA and the Energy Security Board DER Steering Committee have established a workstream to identify the potential benefits, barriers and approaches to implementing dynamic operating envelopes for DER exports and imports. This will include a series of webinars and workshops with industry stakeholders. The first knowledge sharing workshop was held on 30 September with an overview of ARENA-funded operating envelopes projects and consumer views of dynamic operating envelopes.
- **Minimum DER Technical Standards:** AEMO has consulted on new minimum technical standards for DER which focus on inverter standard 4777.2 and look to include interoperability as the next priority. The first round of consultation is complete and showed broad support for the adoption of AS4777.2 and is now awaiting the outcome of AEMC rule change process.
- **Governance of DER technical standards rule change submitted** – The ESB consulted on new coordinating arrangements for DER technical standards governance and in September submitted a rule change proposal for DER technical standards to be included in the National Electricity Rules. In brief, the ESB board considered that the AEMC is best placed to take the lead as decision maker and coordinator on DER technical standards, in line with its role as rule maker in the NEM and as a body used to wide consultation about any changes.
- **Distribution-level storage report released** – ITP Renewables (ITP) report on the economics and regulation of business models for distribution-level storage and the interaction between the two has been [issued with an ESB Cover Note](#).
- **VaDER paper** – CSIRO/CutlerMerz review of Value of Distributed Energy Resources (VaDER) draft report and webinars have been released.
- **VPP trials:** AEMO released its second [VPP knowledge sharing report](#) in July 2020. VPP has been extended to July 2021 to gain additional data in relation to performance characteristics and inform operationalisation.
- **DER Access and Pricing Rule Changes** – Three rule change requests were submitted to the AEMC by SA Power Networks, St Vincent de Paul Society Victoria and Australian Council of Social Services jointly with Total Environment Centre. AEMC commenced consultation in July and has received over 50 submissions to its consultation paper. The draft determination is scheduled to be published in November 2020.
- **Post2025 Market Design** – In September 2020 the ESB released its post-2025 consultation paper, including a chapter on DER integration based on work on key DER integration considerations undertaken jointly by KPMG and ITP. Further work on DER is now underway under the post-2025 project, including with the two sided-markets and essential system services/ahead markets workstreams to define roles and responsibilities.

### Further Information:

More information about each of the DER Program priorities and how to get involved, visit:

## Technical Integration

- T1. Device standards – AEMO released a consultation paper on minimum technical standards
- T2. Comms standards and interoperability – DEIP working group mobilised
- T3. Cybersecurity standards – as above
- T1,2 and 3. Rule change lodged by ESB for DER technical standards to be included in the National Electricity Rules
- T4. Data - Work underway on ESB data strategy, including LV visibility.

- T1. Device Standards – final revisions to AS4777.2 & AS4755.2 expected March 2021.
- T2. Comms standards and protocols – Approach to data, communications & interoperability standards to be aligned with industry
- T3. Cybersecurity standards – as above
- T4. Data – Further consultation on LV data gaps through the ESB data strategy.

## Regulatory Integration

- R1. Planning – CSIRO/CutlerMerz draft review of Value of Distributed Energy Resources (VaDER) published
- R3. Storage – report on distribution-level storage completed and uploaded.
- R4. Non-network alternatives – AEMC examined issue as part of *2020 Electricity networks economic regulatory framework review*
- R5. Regulatory sandbox – Consultation on law changes to implement regulatory sandboxes commenced
- R6. SAPS and microgrids – waiting on the passage of legislation through the South Australian parliament
- R7. Voltage investigation – Completed. Available on ESB website.

- R1. Planning – Final paper CSIRO/CutlerMerz Value of Distributed Energy Resources (VaDER) published.
- R2. AER to publish ring-fencing issues paper
- R3, R4. AEMC to examine regulatory treatment of community storage as part of a holistic review of regulatory framework for distribution networks

## Market Integration

- M1. Demand Response Mechanism – Final determination published
- M2. Distribution Access and Pricing – Rule change requests submitted to AEMC in July, consultation commenced
- M3. Network tariff report – AER (draft) approval in Victoria for more DER targeted tariffs including shorter sharper peak period price signals and, for the first time, tariff proposals specific to grid scale storage.
- M4. Open Energy Networks – ENA released separate report, OpEN concluded prematurely.
- M5. Post-2025 market design – DER chapter included in post-2025 Consultation Paper

- M2. Distribution Access and Pricing. AEMC draft determination to be published.
- M3. AER workshops for selected Victorian electric vehicle stakeholders to explain and discuss the network tariff draft decision and the objectives of tariff reform. AER will receive tariff reform revised proposals from the Victorian DNSPs in early December.
- M5. Post-2025 market design – Options paper due out in December 2020.

## Other relevant DER actions

- Demonstrations: VPP Demo Knowledge Sharing Report #2 published.
- Operating Envelopes – new DEIP workstream established with ARENA. Initial knowledge sharing workshop held on 30 September.

- Demonstrations: VPP Demo Knowledge Sharing Report #3 to be published.
- Metering – AEMC to commence review of regulatory treatment for metering services in December 2020.

### Further Information:

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