27 November 2020

Submission made by email to: info@esb.org.au

Subject: ESB Data Strategy Consultation Paper

SA Power Networks welcomes the opportunity to provide feedback in response to the Energy Security Board's (ESB) Data Strategy Consultation Paper.

South Australia is at the forefront of the transforming energy sector nationally, and SA Power Networks recognises the value of data in enabling the smarter and more active grid that will be required to operate a future power system characterised by decentralised, intermittent generation and dynamic and responsive loads. We commend the ESB on taking a strategic view of the capture, exchange and use of data across the whole of the energy sector.

SA Power Networks supports and endorses the feedback put forward by Energy Networks Australia (ENA) in ENA's response this consultation paper. Our aim in this short letter is to highlight those issues of most relevance to us as a distribution network operating in a very high Distributed Energy Resource (DER) environment.

1. **We support the recommendation to consider network access rights to meter data**

   SA Power Networks supports recommendation 15, that the upcoming AEMC review of the contestable metering framework should consider minimum data access rights for networks where this is efficient and supports the NEO. As noted by ENA in its submission, this recommendation aligns the recommendations of a recent report *Data Opportunities for Smarter Networks* by ENEA Consulting, which recommended that a cost benefit analysis be undertaken to identify the value in minimum data sharing standards to networks for metering coordinators.

2. **We support the intent to provide greater transparency to customers**

   We support the principle of open and transparent provision of data by networks on relevant aspects of network performance, including hosting capacity, so that customers can make informed choices and to support the efficient use of network capacity by customers and aggregators.

   Specific obligations in this regard, and the potential benefits to customers, need to be weighed carefully against the costs of implementing systems and processes required to capture and expose this data – costs that will also ultimately be borne by customers. With regard to hosting capacity and opportunity maps, it is important to note that while all networks are working on providing this kind of information, most networks have limited capability today to generate this data with accuracy due to limited visibility of LV network performance.

   We note that the Access and Pricing rule change process currently underway is considering network obligations to report on hosting capacity performance, which are clearly tied to networks' broader obligations in relation to DER hosting.

3. **'More data' is not a panacea**

   The strategy contemplates a wide range of possible benefits from more open exchange of data and identifies a number of cases where lack of access to data is perceived as having contributed to poor outcomes.

It is not self-evident that some of the perceived shortcomings were caused by a lack of access to the kind of data discussed. For example, the poor performance of long-range demand forecasting in recent decades in failing to predict the impacts of air-conditioning growth, housing efficiency or rooftop solar would seem to be more due to the difficulty of modelling the future than a lack of access to customer data, noting that customers' historical load profiles aren't a predictor of these step changes, whose key inputs are factors like forecast DER price curves or changes in efficiency standards.

Similarly, while we support access to data for researchers and others to foster innovation in our part of the energy sector, this needs to be in the context of well-targeted and collaborative research and innovation activities. More data in itself will not deliver new insights that lead to better network planning or operations. Networks are large and complex systems and network data is highly contextualised. Simply exposing data without the associated contextual understanding of the network and the broader energy system will add little value. In our experience the cost of providing meaningful data to researchers and others is not simply driven by de-identification and privacy needs, the greater cost is in providing context.

4. Recommendations need to be supported by cost/benefit analysis

As noted above, the strategy contemplates a wide range of possible benefits from more open exchange of data but these need to be rigorously tested through cost/benefit analysis. The cost to generate, validate, extract, contextualise, host and maintain data sets for exchange between energy system participants can be material and will ultimately be borne by customers, so there must always be a clear line of sight to measurable consumer benefits and the NEO.

In the case of data generated by or consumed by networks, the 5-year network investment cycle needs to be taken into account in estimating future cost and benefit cashflows, as any significant new investments will need to be approved by the AER through the regulatory determination process.

5. Need to articulate a clear plan forward

The strategy canvasses a broad range of issues but does not set out a clear pathway forward. The strategy should ideally focus on addressing clear identified barriers to improved outcomes in the near term, and on establishing agreed principles for data use and governance for the longer term.

Where future benefits are unclear or difficult to quantify, further work will be required and an incremental approach will be prudent. It will be important not to pre-emptively regulate or invest in new systems or processes in an already complex NEM where future benefits are uncertain, especially in a rapidly changing system.

6. The scope of the strategy is very broad and overlaps with other processes

Some issues canvassed, and some recommendations, appear to go beyond the scope originally intended by the Finkel review, and overlap or duplicate other market reform efforts. The data strategy will be most effective if it is well focused on data issues.

We also found that the length of the document and the large number of recommendations makes the strategy difficult to engage with. It is important that the strategy is succinct and can easily be interpreted and applied if it is to gain broad stakeholder support.

7. The establishment of another governance body (the DataLAC)

The energy sector already has a proliferation of oversight groups and committees. Careful consideration should be given before the establishment of another new committee (the proposed DataLAC). The functions proposed for the DataLAC may be achievable through an existing governance structure, committee or working group. This may be best considered in light of the findings of the ESB's review of DER standards governance arrangements. To the extent that the scope includes governance of data held by or accessed by networks, networks should have representation.

8. **Limited consultation outside the core market bodies**

Networks have had limited input into the development of the strategy. The short timeframe proposed between the close of consultation at the end of November and the provision of recommendations to Energy Ministers 'in early 2021' calls into question the desire for genuine consultation, as there would seem to be limited opportunity to consider material changes as a result of stakeholder feedback from the consultation process. ESB should consider the need for further consultation prior to making its recommendations.

If the ESB would like to discuss any aspect of our response, please contact Bryn Williams, Future Networks Strategy Manager at bryn.williams@sapowernetworks.com.au or on 0416 152 553.

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