Network Transformation Report Feedback
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Key Concepts Report for the Electricity Networks Transformation Roadmap

I write to you in support of the significant effort, consultation and forward thinking that has gone into the Key Concepts Report for the Electricity Networks Transformation Roadmap.

Energy Networks Australia and CSIRO are seeking detailed feedback and comments from stakeholders on the proposed milestones, actions and pathways outlined.

The Australian PV Institute (APVI) represents over 80 local industry, manufacturers, researchers and stakeholders across the PV value chain, in their efforts to accelerate the deployment of PV safely and cost-effectively. It undertakes background research and policy analysis for the sector to ensure that accurate information is available, standards are in place and potential issues are investigated before they become problems.

The APVI endorses much of the thinking in the Key Concepts Report and congratulates both ENA and the CSIRO in establishing and promoting a roadmap that enables distributed generation, acknowledges the inevitable shift to renewables and documents pathways to delivering a secure energy outcome.

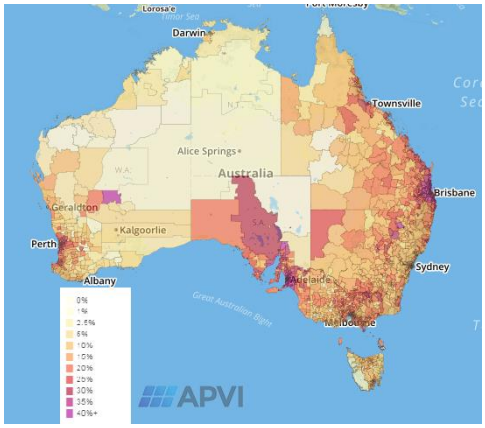
The APVI endorses the clear recognition and regard given to

- the transformation of the energy sector to a customer centric, de-centralised, integrated energy future
- the unprecedented rate of technological change
- the challenges faced by the industry and regulator to stay abreast of change
- the need for a transition to more cost-reflective pricing
- the value of network support offered by distributed generation
- the need for greater network visibility and decentralised control
- the opportunity created by the utilisation of connected devices to enable higher levels of distributed energy resources connection without compromising technical operation

The APVI is concerned that

- the focus on fairness in cost reflective pricing needs to considers the impact of customers with and without significant loads (such as air conditioners), not just the impact of distributed generation
- insufficient regard is given to improvements in the process of regulatory reform, to enable regulations to reflect the changing customer needs, technology offerings and to enable new business models for energy delivery
- the continued focus on central networks under circumstances where Australia has extensive networks with very low loads which are costly as well as highly vulnerable to outages under increasing extreme weather events
- early Milestones for 2017 appear to be ambitious in their timing and may set the roadmap up for early failure given the current lack of political consensus and slow processes for regulatory change;
    - *5.1 By 2017, agree an enduring, stable and nationally integrated carbon policy framework including an emission intensive baseline and credit scheme in the power sector*; - it seems unlikely Australia will reach consensus on this in the short term
    - *… and avoiding the extension of further technology specific incentives* – without consensus above, Australia will need higher Renewable Energy Targets to achieve its Paris commitments
- later Milestones appear to set low expectations with regard to timing;

- *7.1 Early transition to better tariffs by 2021* – customers are moving already to install PV, batteries and load management systems. By 2021 most customers who can do so will already have moved to independent systems which may or may not offer the best overall outcomes, so new tariffs should be fast tracked.
- *7.2 New prices for new and differentiated services or to incentivise customer response by 2021* – as above
- *7.3 Micro-grids and standalone power systems are a feasible alternative by 2021* – many new developments are installing micro-grids already and established regions are looking to establish micro-grids based on existing infrastructure to avoid power blackouts, increase self-reliance and reduce carbon missions. By 2021 there will be dozens of micro-grids in operation.



The APVI provides a customer focussed- highly visible platform for communicating the uptake and potential of solar energy in Australia. The Australian Solar Mapping Tools are internationally recognised for their impact on communicating the impact and opportunity for solar in distributed energy generation. The maps draw over 14,000 site visits per month and was recognised with the international Energy Globe Award, 2015.

The APVI also represents Australia on the International Energy Agency Photovoltaic Power Systems (PVPS) programme and in doing so, maintains and reports market data through the 'PV in Australia' Report. The IEA engagement ensures Australian researchers, policy makers, manufacturers, installers and stakeholders can learn from other best practice, delivering efficient outcomes from scarce resources.

The APVI looks forward to working with ENA and CSIRO in the ongoing development of the Electricity Networks Transformation Roadmap.

Yours Faithfully,

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About the APVI

The Australian PV Institute is a not-for-profit, member-based organisation, which focuses on data analysis, independent and balanced information, and collaborative research, both nationally and internationally. Our objective is to support the increased development and use of PV via research, analysis and information.