



Dear EPWA

We thank you for the opportunity to provide a submission for the **Exposure Draft of the Miscellaneous Amendments No.3 WEM Amending rules.**

The Smart Energy Council (SEC) is the peak independent body for Australia's smart energy industry, representing over 1,300 residential, commercial, and large-scale renewable generation and storage companies, smart transport firms, as well as the renewable hydrogen and ammonia industry.

Poor Consultation = Poor industry outcomes

The Smart Energy Council is disappointed in the consultation process which did not provide a clear pathway for contribution from the consumer energy resources sector, to what is now, clearly an important piece of policy for the sector.

Consultation needs to be better, and it is unacceptable to have a key market rule change for batteries buried in a 100 page + Draft paper, without notification that this rule change affects Consumer energy resources.

Rooftop Solar has been the only real driver of decarbonisation of our electricity system over the past 3 years, with over 90% of Solar in the energy grid coming from Rooftop PV. This needs to change urgently, nonetheless, emphasizes the instrumental role that consumer energy resources play in decarbonising the WA electricity grid and adding new generation.

In this context it is crucial to the state's energy transition that Consumer Energy Resources are enabled, and not hampered in their access to contributing to the WA energy grid and markets.

In the working groups that informed this rule change, DER or consumer energy resources was clearly omitted from the terms of reference, and the group was clearly directed that the rule change processes did not concern DER.

The rule change clearly impacts consumer energy resources through the setting of baselines in the Reserve Capacity Market. Given the hidden nature of the consumer energy resources in this rule change, the Smart Energy Council and other interested

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parties were not aware of how this rule change would affect consumer energy resources until late in the consultation timeframe.

As a result, the Smart Energy Council will address the key issue for industry, the DSP baseline methodology for participation in the RCM. We will raise additional issues in a later submission.

Demand Side Programs(DSP) Baselining Methodology

The Smart Energy Council supports the positions made by Starling Energy Group with respect to barriers in the rule change for integrating DERs.

The Smart Energy Council is particularly concerned by the backwards step made in this rule change towards integrating consumer energy resources into the energy grid. This is despite the fact that consumer energy resources have made up over 90% of total solar in the SWIS, and the majority of new renewable energy added onto the grid over the past 3 years.

The Smart Energy Council is calling on EPWA to revise the approach to DSP Baselining Methodology to ensure that Batteries and small scale behind the meter devices are appropriately recognised for their contribution to Demand side programs.

Project Symphony and Encore with Smart Energy members have together demonstrated leadership in setting best practise for integrating household consumer energy loads into incentive programs for demand side management. These projects have been shared widely with the industry, and policy and market mechanisms must follow to adopt these innovative arrangements. Energy policy and planning in the SWIS has to date failed the industry and WA energy users to provide a clear pathway to connect more renewable energy, across utility scale, commercial and industrial and in the connection of consumer energy resources. This has left WA years behind the other states in progressing the decarbonisation of the grid.

The projects above are a positive example of industry and Government trading enterprises driving innovation to improve the value streams for consumer energy resources when orchestrated for grid benefits. Given the current stagnant state of renewable energy in WA, EPWA must take the best practise developed with industry

and turn those learnings into policy. It is unacceptable to take any step backwards in integrating consumer energy resources into the grid, and a restrictive baseline methodology as set out in this rule change would be a loss for the continued uptake of solar, and a loss for WA's transition to renewables, already falling dangerously behind.

WA has the opportunity to lead, as a renewable energy Superpower, and it must start from each rule change and policy amendment to smooth and incentivize a greater uptake of consumer energy resources, not diminish those incentives.

We welcome any further discussions on this policy.

**Should you wish to discuss any of this submission further, please contact:
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