



18 February 2022

Rebecca Knights
Department for Energy and Mining
Energy and Technical Regulation Division

Lodged by email: dem.consultations@sa.gov.au

Dear Rebecca,

Review of Electricity Licensing Framework consultation paper

Origin Energy Limited (Origin) welcomes the opportunity to provide comment on the above consultation paper.

Our submission on this consultation paper focuses on one particular issue – the visibility of VPP assets as they scale up over time. Origin is a retailer, as well as an installer and operator of various forms of Distributed Energy Resources (DER) in South Australia. Origin views the integration of DER as a key long-term reform.

We have developed our own proprietary virtual power plant (VPP) platform to enable the coordination of behind the meter distributed energy resources (DER). Assets connected to the VPP have grown from 98 MW to 217 MW over the past 12 months, including an increasing variety of distributed energy and Internet of Things (IoT) devices. These devices include hot water systems, solar, batteries, air conditioners and various industrial assets, which are aggregated, controlled and dispatched in response to market and portfolio positions, creating value for both Origin and customers through a lower cost of energy. We are also a Relevant Agent in South Australia and offer a range of technology solutions for remote control of solar systems so that customers can choose what best suits their circumstances and budget.

We support the development of a customer centric, competitive market approach to DER integration, that focuses on incentives rather than mandating rules. This should be flexible and support a range of technologies to allow customer choice and promote the development of multiple products and services.

The visibility of VPP assets as they scale up over time is discussed at pages 15-16 of the consultation paper. This is an important issue which we support exploring further. In the long term, the market may move to include such assets in some form of dispatch process. However, VPPs are currently in an early stage, and we envisage that the market will evolve with a series of smaller steps. To give one example, AEMO has recently introduced a market notice framework for minimum system load events, which mirrors the process for peak load events (Lack of Reserve notices). This is a practical step that can provide some notice to VPPs to shift demand when required.

One option to promote increased visibility of VPPs could be to provide some form of aggregated information to AEMO. This could include the total MW in the state under orchestration of each VPP provider and possibly some other aggregated information about categories by geographical location or device type. We would not support information at the individual household level and do not believe this

would be useful in managing the network. We also note that some assumptions would have to be made about the percentage of demand response that could be relied upon when aggregating across numerous small sites.

Whilst we understand the issue that needs to be addressed and support exploring it further, we are not convinced that the method of introducing an additional SA specific licensing requirement on VPPs to provide certain information is the best approach. In the first instance, we would prefer the SA Government to work with AEMO or other national bodies to develop a national framework. This could then be applied to SA as relevant, and possibly in an accelerated timeframe.

We also understand that there may be some VPPs which are operating without a retailer or not having the appropriate licences. If that is indeed the case, there may be a regulatory gap that should be covered by specific requirements. We view this as a separate issue.

We would be pleased to discuss this issue further as the market for VPPs matures.

If you wish to discuss any aspect of this submission further, please contact Matthew Kaspura at matthew.kaspura@originenergy.com.au.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'E. K. Robertson'.

Keith Robertson
General Manager Regulatory Policy
Origin Energy Limited
+61 2 9503 5674—Keith.Robertson@originenergy.com.au