



Department of Energy and Mining

Submitted via e-mail

Att: Rebecca Knights, Director, Energy Policy and Projects

RE: Review of SA Electricity Licensing Framework

Dear Rebecca,

This submission is provided in response to DEM's consultation relating to the Review of South Australian Electricity Licensing Framework.

The Energy Project has provided advice and assistance to multiple South Australian clients delivering solar and battery projects <5MVA. Typically our advice relates to:

- Applying for a generation licence,
- Complying with requirements of licences, particularly in relation to annual compliance reporting,
- Developing documentation and procedures for complying with generation licence conditions,
- Surrendering licences based on operational/commercial changes to gain exemption under Regulation 15 of the SA Electricity Regulations.

Our experience is that the compliance effort required for entities who operate generators >100kVA but less than 5MVA is often disproportionate to the benefits received through operation of the generator - particularly when the generator is used primarily to offset on-site electrical load.

We have observed the 100kVA threshold for license exemption under Regulation 15 (Electricity General Regulations 2012) is arbitrary and imparts significant administrative compliance requirements on electricity consumers where (relatively small) distributed energy resources are installed at their premises. Often the installation of DER is not the core function of the business.

Aligning the nameplate capacity threshold for generation licensing exemptions (under Regulation 15) with broader industry thresholds, particularly Chapter 5A of the National Electricity Rules (NER) would provide greater consistency for those installing DER. This would also provide better alignment between businesses who install DER as core business, as opposed to those that do not.

Generally, generating plant with capacity between 100kVA and 5MVA that connect to South Australia's distribution network are required to adhere to the SA Power Network's grid connection process. The technical reviews required to be undertaken by SAPN as part of this process are implemented to ensure no (or acceptable) impact of generators on other users of the distribution network. Our view is that the technical criteria for connection at this scale are best dealt with through the SA Power Networks connection process rather than generator licensing.

In our experience the licensing conditions and compliance requirements for generators less than 5MVA are largely administrative.

The risk associated with technical issues (with potential to effect other consumers) arising from a modified, or ill-maintained generator are somewhat mitigated through the requirement to hold SRMTMP's with approvals via the Office of the Technical Regulator (OTR). However, between the OTR and ESCOSA, there does not

appear to be a proactive review or interrogation of generator compliance with SRMTMP's or license requirements. As a result, there is limited benefit to the licensing scheme in regard to protecting public safety or the security of the power system more broadly.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe Clarke', written in a cursive style.

Joe Clarke
Senior Project Engineer