



St Vincent de Paul Society

VICTORIA

good works

Ms. Anna Collyer
Chair, Australian Energy Market Commission

Anna.Collyer@aemc.gov.au

Dear Ms Collyer

ACCESS, PRICING AND INCENTIVE ARRANGEMENTS FOR DISTRIBUTED ENERGY RESOURCES

Thank you for the opportunity to make this submission on behalf of the St Vincent de Paul Society, Victoria, to the Australian Energy Market Commission's (AEMC's) access, pricing and incentive arrangements for distributed energy resources (DER) draft determination.

We would like to acknowledge the significant work of members of the AEMC, the energy industry, consumer, community and environment organisations and others to reach this point.

The St Vincent de Paul Society support the removal of 6.1 .4 as recommended in the draft determination. We believe that its removal will allow for the development of a more consumer-focused framework that supports the uptake of distributed energy resources and other changes in the energy market. This includes electric vehicles, stationary batteries, market developments enabled through the introduction of new metering, convergence of various technologies and platforms and the consumer's right to data.

The current arrangements of building out the distribution network to support households with Solar and the cost being socialised across all households who can't realise the direct benefit is inequitable. This is likely to escalate as more distributed energy resources go into the system without a change to the framework.

SVDP stated its proposed solution is not aimed at penalising households with rooftop solar, but consecutive governments' policies promoting the uptake of rooftop solar have created an imbalance in favour of solar and, potentially, at the disadvantage of other technologies, such as storage.

This equity issue is not only limited to technology uptake, for example, currently solar households are over represented by those who own or are purchasing a residential property as such they are asset rich. However, the current arrangements of socialising the cost to build out the distribution network that directly benefit this group (home owners with solar often older), while allocating costs to all households specifically those who do not have solar and who receive no direct benefit, such as renters (who are often asset poor and younger), creates an intergenerational wealth transfer. This has broader and longer economic implications.

We are concerned that these types of inequities and transfers will escalate as more distributed energy resources enter the market without changes to the current regulatory framework.

We also support the safeguards and protections for consumers proposed in the draft determination.

We also support an implementation transition that moves from the current arrangements. This means households with Solar, for example, who are being impacted by voltage rises or other constraints should receive no additional charge as they are not receiving an additional benefit.

However, these households should be offered the opportunity to purchase firmer export access. It is appropriate that these households are allocated this charge as they are the beneficiaries of the additional export capability that they may seek to purchase. In addition, if this price were made visible, this could facilitate other non-network service propositions that allow these households to capture benefit of their generation / storage through other means, at a different cost than that proposed by the network.

Thank you again for the opportunity to provide feedback. I can be contacted via email or by phone 0439 357 129.

Regards

Gavin Dufty

Manager of Policy and Research,

St Vincent de Paul Society Victoria.