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Government of South Australia  
Department for Energy and Mining

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### Consultation on Regulatory Changes for Smarter Homes in South Australia

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group or Powershop) thanks the Department for Energy and Mining (the Department) for the opportunity to provide comments on the Consultation on Regulatory Changes for Smarter Homes in South Australia (The Consultation).

#### Background on the MEA Group

The MEA Group is a vertically integrated generator and retailer focused entirely on renewable generation. Through our investment in new generation we have continued to support Australia's transition to renewable energy. Powershop is an innovative, green-focused retailer committed to providing lower prices for customers and recognises the benefits to customers in transitioning to a more distributed and renewable-based energy system. Powershop has introduced numerous new, innovative and customer-centric initiatives into the market.

The MEA Group recognises the challenges that the Australian Energy Market Operator (AEMO) faces in relation to the operation of the market and the challenges we as a retailer face in managing wholesale energy risks. The MEA Group is supportive of regulatory changes that can clearly show a net benefit for customers and the market, meets the National Electricity Objective and demonstrates alignment with other regulations and procedures. The MEA Group notes that the timelines in the consultation papers are tight and would urge caution in implementing new technical standards at this time.

The MEA Group has responded generally to the five consultations the Department released.

1. Consultation on the proposed remote disconnection and reconnection requirements for distributed solar generating plants in South Australia.
2. Consultation on the proposed export limit requirements for distributed solar generating systems in South Australia.

The MEA Group notes and recognises in times of system security, for example when South Australia was islanded, that it would be beneficial for AEMO to be able to send a notification to curtail or disconnect distributed solar generation. However, it is unclear on what additional costs will be incurred by customers, what impacts this will have on solar installers, or how the two proposed mechanisms will interact and what impact it will have on the overall market.

It is also unclear how the addition to the market of a "new" participant, the 'registered agent' will benefit the market, not add additional cost and complexity and be able to interact with both South Australia Power Networks (SAPN) and the retailer, to ensure that the network, wholesale and customer risks are managed appropriately.

3. Consultation on the proposed smart meter minimum technical standards in South Australia.

Has any analysis been completed to understand the increased costs imposed with this new technical standard? MEA Group are concerned that the Consultation does not contemplate in detail the increased costs that will be incurred by the customer due this new technical standard, including increased compliance costs. The Consultation lacks the guarantee that the intended benefits will outweigh the costs and we would prefer to see further consultation on how these costs can be avoided for both the customer and retailer.

4. Consultation on proposed tariffs to incentivise energy use in low demand periods in South Australia.

While understanding the intent of this proposal, the MEA Group does not support changes to the requirement for offering standing contracts to meet the stated objectives. While Powershop does not have any customers on standing contracts, it doubts whether any customer on these imposed tariffs will have the ability, the resources or time, or the financial impetus to actually change their behaviour to the benefit of SAPN and the market.

It is unclear why this proposal has been made outside the Australian Energy Regulator process, to assess whether there will be a material benefit to the market and South Australians. MEA Group notes that retailers are still best placed to manage wholesale price risk and create tariffs to provide price signals to customers to manage timing of consumption.

The MEA Group wish to conclude its submission by asking the Department to reconsider whether these rule changes are the most appropriate and cost-efficient way to meet the stated objectives and assess whether further encouragement of the uptake of batteries and solar under the South Australian Government' scheme without the above barriers and costs would be more beneficial for all South Australians. If you have any queries or would like to discuss any aspect of this submission, please do not hesitate to contact me.

Yours sincerely,



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Meridian Energy Australia