



Clean Energy Council submission to the Department for Energy and Mining consultation paper: Stand-alone power systems – SA implementation

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback on the Government of South Australia (SA) Department for Energy and Mining (DEM) consultation paper on the SA implementation of reforms to the regulatory framework for stand-alone power systems (SAPS).

The CEC is the peak body for the clean energy industry in Australia. We represent and work with Australia's leading renewable energy and energy storage businesses, as well as rooftop solar installers, to further the development of clean energy in Australia. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC strongly supports the immediate, state-wide implementation of the SAPS framework in SA.

Long power lines to remote areas are more dangerous, less reliable, and more expensive. Cross subsidies for a second-rate service should be a thing of the past. Allowing SA Power Networks to use SAPS where they are a superior solution is the only logical course of action.

Customers who are moved to a regulated SAPS will be afforded comparable consumer protections to customers connected to the grid.

There is no need for a limited trial phase and the risks and delays this would entail. SAPS trials in Western Australia (WA) have demonstrated that in fringe-of-grid areas, SAPS are more reliable and safer than traditional 'poles and wires' and will deliver cost savings for all customers. The WA trials have also shown a very high level of customer acceptance for energy supply by SAPS.

Allowing immediate, state-wide application of SAPS is a sensible and long-overdue reform.

We would be happy to discuss these issues in further detail with representatives of DEM. We look forward to contributing further to this important area for policy development.

Responses to questions raised in the consultation paper

1. Do stakeholders consider that SA should implement the SAPS framework?

The CEC strongly supports immediate implementation of the SAPS framework in SA.

There are many very good reasons for SA to proceed with implementation of the SAPS framework. We are not aware of a single rational public policy argument for not proceeding.

The CEC strongly supports use of SAPS wherever they are cheaper, safer and more reliable than 'poles and wires'. Rural and remote communities are likely to be the first to benefit. Fringe-of-grid areas are the most expensive to service, reliability of supply is poor, and bushfire is an ever-present threat. Long electricity lines to remote locations are expensive to maintain and are heavily cross subsidised by all electricity customers.

Long power lines to remote areas are more dangerous, less reliable, and more expensive. Cross subsidies for a second-rate service should be a thing of the past. Allowing SA Power Networks to use SAPS where they are a superior solution is the only logical course of action.

2. Which implementation option is supported?

The CEC supports immediate, state-wide application of the new SAPS regulatory framework in SA.

There is no need for a limited trial phase. As noted in the consultation paper, customers who are moved to a regulated SAPS will be afforded comparable consumer protections to customers connected to the grid. SA Power Networks will still be required to undertake appropriate consultation and investment tests prior to transitioning customers to SAPS. A SAPS customer engagement strategy will be developed, and SA Power Networks will be required to provide formal, public notice to affected parties of the intent to proceed with a SAPS supply solution. Jurisdictional consumer protections in SA include access to current energy concessions; access to energy ombudsman schemes for independent dispute resolution; and safety of electrical supply.

Stand-alone power systems are already a success story in WA, which is not bound by the National Electricity Law (NEL). Trials in WA have demonstrated that in fringe-of-grid areas, SAPS are more reliable and safer than traditional 'poles and wires' and will deliver cost savings for all customers. The WA trials have also shown a very high level of customer acceptance for energy supply by SAPS.

As noted in the consultation paper, there would be risks associated with a trial phase commencement. It could unnecessarily limit SA Power Networks from using faster and more efficient responses to a natural disaster, such as a bushfire.

There is no need for more trials and further delay. Allowing state-wide application of SAPS is a sensible and long-overdue reform.

3. Is there another option which should be considered?

No. The most sensible option is immediate, state-wide application of the new SAPS regulatory framework in SA.