

Stand-Alone Power Systems

Stakeholder Presentation

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The Department for Energy and Mining (DEM) acknowledges Aboriginal people as the First Nations Peoples of South Australia. We recognise and respect the cultural connections as the Traditional Owners and occupants of the land and waters of South Australia, and that they continue to make a unique and irreplaceable contribution to the State.



Background

Using new technology to deliver better electricity services for people living at the end of the line.



Advances in solar power and batteries make it possible to supply customers at the end of the line in a better, cheaper way



Customers who move to stand-alone power systems will get to keep the same protections, reliability standards and access to competitive deals



It's a tangible way to use solar and batteries to lower costs and emissions and improve service



STAND-ALONE POWER SYSTEMS

What is a stand-alone power system?

A stand-alone power system is an electricity supply arrangement that is not physically connected to the national grid. The term encompasses both microgrids and individual power systems.

Source: AEMC Final Report

National Framework

Saving for everyone



Stand-alone power systems provided by a network business would be considered part of the network. This means the costs of the system would be included in the network's revenue determination and regulated by the Australian Energy Regulator.



The cost savings made by network businesses would be shared across all customers through the revenue determination process.

Distribution network businesses would:



publish information each year that identifies opportunities for stand-alone power systems. This information would include the total number of their customers who transitioned to stand-alone power systems.



carry out a formal consultation process including timely notification, as well as information about the quality of supply and performance.



develop and publish a customer engagement strategy for transitioning customers to stand-alone power systems.



source stand-alone power systems from competitive providers. To support competition, a ring-fenced affiliate of the network business would be able to provide a system, but not the network business itself.

Customers would:



continue to have access to retail competition, and can choose to stay with their current retailer on the same deals, including feed-in tariffs.

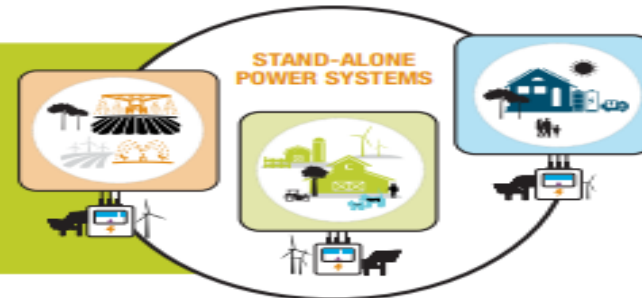
Retailers would:



pay an administered settlement price to AEMO as a proxy for the wholesale spot price, enabling them to continue to manage their risks and offer stable prices to their customers.

Protecting consumers

Consumer protections and reliability standards would be extended to customers with stand-alone power systems provided by network businesses. Trials have shown that reliability can improve significantly with stand-alone systems provided by network businesses, particularly where this avoids very long lines through bushland.



Source: AEMC Final Report

Act and Rules Implementation

Statutes Amendment (National Electricity Laws) (Stand-Alone Power Systems) Act 2021

Act Commenced 20 May 2021

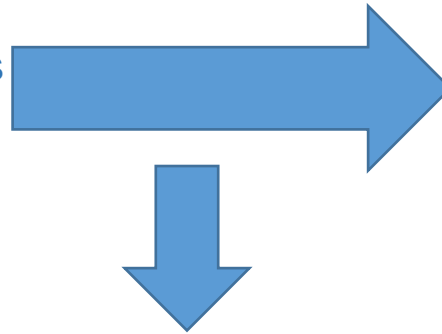


Jurisdictions to Opt-in

Rules

Commencement Date:

Changes to Electricity and retail rules are made.



Effective Date:

New changes come into effect

AEMO, AER and DNSPs Development and consultation on

- Systems
- Guidelines
- Procedures



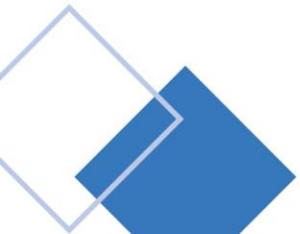
Why implement the Framework in SA?

- May provide more efficient alternative to service groups of customers
- Potential for improved reliability
- Opportunities for more non network options
- Potential for sites over next 5-10 years
- Most efficient sites likely to be
 - Remote rural areas
 - Relatively few customers end of power line
 - Close to end of asset life
 - High maintenance/replacement costs



SAPN Identified Potential SAPS sites

- Cape Du Couedic (KI)
- Cape Borda (KI)
- Cape Donington (Port Lincoln)
- Cape Banks in Carpenter Rocks (South East)



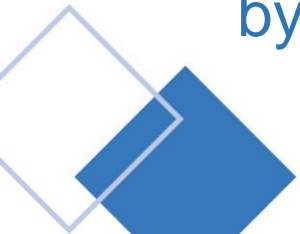
Implementation Option 1 – Initial Trial Commencement

- Specific geographic areas initially allowed
- Softer introduction
- Act as trial for new framework
- Required to undertake consultation and approval processes in the NER
- Difficult to adopt framework quickly in other areas



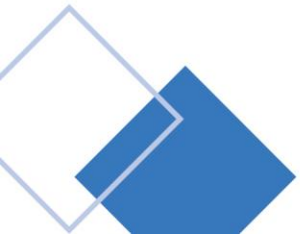
Implementation Option 2 – State Wide Application

- Framework applied State-wide
- No limitation on where SAPN could propose a SAPS
- Required to undertake consultation and approval processes in the NER
- Framework utilised more efficiently
 - E.g. Faster response to bushfire/natural disaster
- Limited risks
 - Framework developed following extensive work by AEMC and stakeholder consultation



Stakeholder Feedback - Implementation

- Should South Australia implement the framework?
- Which implementation option is supported?
- Is there another option which should be considered in lieu of Options 1 and 2?



Disclaimer

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