

9th April, 2021

JRAIA's comments on South Australian Demand Response Requirements for Air Conditioners

The Japan Refrigeration and Air Conditioning Industry Association (JRAIA) representing manufacturers of refrigeration and air conditioning equipment in Japan is continuously pursuing and supporting the development of environmentally friendly technologies to contribute to the conservation of the global environment.

Responding to environmental issues is one of the main activities of JRAIA, and JRAIA supports the South Australian Government's basic policy on environmental issues and would like to support your proactive efforts.

JRAIA supports increased use of Demand Response (DR, hereinafter), because it will enable the effective management of electrical supply demand so it is a very important means of achieving a balance between solving environmental issues and improving consumers' lifestyles.

However, there are some issues of concern in the proposed options, and we would like to make some proposals.

Although Option 3 is the recommended proposal, we would like the South Australia Government to re-consider in favour of harmonizing the South Australia demand response regulation with the Australian Federal Government's regulation (the base case).

More specifically:

- to mandate compliance with the regulation for products registered on and after July 1, 2023 rather than for products supplied; and
- to accept products conforming to AS/NZS 4755.3.1:2014 and AS/NZS 4755.3.1:2012.

The reasons are as follows:

From the standpoint of manufacturers, there are two choices if Option 3 is adopted: to have all products for the Australian market comply with the SA regulation which has requirements exceeding those of the federal government, or to cease sales of products in SA which conform to the federal government regulation but do not conform to the SA regulation. In the first case there is a risk that that development of compliant products will not be completed in time for the regulation deadline and in the latter case, there is a risk that the range of product choices available for consumers in SA will be limited. Furthermore, in the worst case scenario for both options, there is a risk of disruption to product supply causing shortages and confusion in the market.

The only technical standard mandated by Option 3 is AS/NZS 4755.2 which has not yet been published. The technical requirements of the draft of this standard cover a wide range of areas such as cyber security and communication protocols. To comply with these requirements is a completely new challenge for air conditioner manufacturers, requiring the large-scale development of both hardware and software for electronic control and communications systems. Taking these factors into account, it is expected that the commercialization of compliant air conditioners will require at least four to five years after the standard is published.

Also, there may be unknown issues in the certification process due to the new standard and it is difficult to estimate the required cost and schedule to deal with such issues.

Furthermore, since it is left up to each user whether to use DR, there is a concern that the resources invested to conform to AS/NZS 4755.2 may be wasted without being used.

Promoting the use of DR is of prime importance so ensuring flexibility in the system and reducing costs and barriers for consumers is the best way to increase uptake. Therefore, it is important to not restrict the permitted networking methods to those methods in AS/NZS 4755.2 only; methods in AS/NZS 4755.3.1 should also be permitted.

In addition, the continued supply of replacement and option parts for existing legacy systems is vital.

For the above reasons, we would like to propose that the South Australia demand response regulation be harmonized with the Australian Federal Government's regulation. As described above, we think that the regulation should be implemented on products registered on and after the date Federal Government regulation comes into force and that the AS/NZS 4755.3.1 series standards should also be acceptable as a route to compliance.

Additionally, with regard to the basic policies already decided by the federal government, we would like to note the following:

- The expiry of the AS/NZS 4755.3.1:2012 standard should be withdrawn since the definition of "Normal operation" in the succeeding 2014 version standard is unclear. (This issue is also detailed in the Paper sent to smartappliances2019@sa.gov.au in September 2019.)
- As a measure to promote the use of air conditioners with DR, consumer incentives should be used to differentiate from products without DR in order to encourage consumers in the desired direction rather than mandating installation. Providing users with incentives can increase demand from consumers for air conditioners with DR and it is to be expected that the products which do not meet consumer requirements will naturally disappear from the market. Giving users (consumers) the choice of using DR will be more effective increase awareness and encouraging use of DR.
- We think VRF products should be excluded from the scope. Our concerns explained in the submission in September 2019 have not been incorporated into the Federal policies and we would like to request that this matter be reconsidered.

Furthermore, we would also like to request clarification of the following item:

- (1) The definition of "supply"
Please clarify the meaning of "supply". Manufacturers cannot bear responsibility for products in shops and resellers after sale of the product and transfer of ownership.
- (2) Clarification of the unique procedures and requirements for South Australia.
In the case that South Australia implements a different scheme to Federal requirements, what unique registration / certification procedures and requirements will be required for South Australia in addition to those required federally?
- (3) Communications Technologies
If Wi-Fi is used as a means of complying with AS/NZS 4755.2, are other mobile communications technologies such as 3G/4G/5G not mandatory?

Thank you for your consideration.

Best regards,



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About JRAIA

The Japan Refrigeration and Air Conditioning Industry Association (JRAIA) was originally established in February 1949 as the Japan Refrigerating Machine Manufacturers Association which was thereafter reorganized in February 1969 to become an incorporated association and renamed as it is at present.

JRAIA is the industry association representing over 160 manufacturers of refrigeration and air conditioning equipment in Japan. We, the members of JRAIA, have so far been dedicated to offering quality products to the global markets including Australia. JRAIA aims to promote and improve production, distribution and consumption of refrigeration and air conditioning equipment and their applied products, as well as auxiliary devices and components, automatic controls and accessories and thereby contribute to the steady development of Japanese industry and the improvement in people's standard of living.

For more information, please see JRAIA's website: www.jraia.or.jp

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