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## **Stand-Alone Power Systems - South Australian Implementation Consultation Paper**

### **Submission from SA Power Networks Customer Consultative Panel – Regional and Remote Customers Sub-group**

Dear Rebecca

Thank you for the opportunity to make a submission to DEMs Stand-Alone Power Systems - South Australian Implementation Consultation Paper, July 2021.

#### **Background**

SA Power Networks' [Customer Consultative Panel \(CCP\)](#) consists of a broad range of stakeholders with an interest in shaping the decision-making of SA Power Networks. Improving the reliability for those worst served customers in remote and regional areas of the State was one of the focus areas identified by the panel for its 2020-22 term.

A Regional and Remote Customers Sub-group of the Customer Consultative Panel was established in August 2020 to look at opportunities to improve the service for worst served customers in the State in terms of reliability and electricity supply.

SA Power Networks is a world leader in integrating distributed energy resources into the power system and as a Customer Panel we want SAPN leadership in this area to continue.

There is a portion of customers in the state that experience extremely poor reliability performance, significantly worse than regional targets. There are edge of grid customers and communities that, as a result of current service and reliability levels, we feel may be better served by Stand Alone Power Systems (SAPS) or other alternative solutions and the current framework doesn't allow the best outcomes for worst served customers.

In addition, given the high cost of providing grid connectivity to remote communities, we believe there are locations in South Australia where micro-grids and SAPS would provide a better outcome for customers compared to traditional grid connection.

As distributed energy resources such as solar PV and battery storage continue to improve and become more cost-effective, elements of the distribution network may become redundant as standalone (off-grid) premises and/or local microgrids become more economic than a traditional network.

In the long run, all customers will be better off if more efficient investments in SAPS occur rather than maintaining or extending the current network.

### **Consultation Paper and Issues**

The consultation paper outlines two options for implementation of the national framework.

The CCP supports the statewide adoption of the framework as we see there are opportunities for SAPS to provide better outcomes for customers across the state beyond the proposed trials.

However, there are aspects of the framework that may require further consideration. Other areas of concerns for the group are the consideration of:

- Consumer protection issues - will the framework ensure there will be a sufficient number of retailers offering retail services to SAPS customers to ensure competitive prices?
- Education and information for customers/ communities. Customers will need information about any changes to their supply arrangements and who to contact when there is an interruption to their service.
- The group would like to see the AER value other benefits, such as environmental and improved reliability when assessing an application to transfer customers from a grid connection to SAPS. The environmental benefits would potentially include reduction in bushfires. Improved reliability will have both health and social benefits.
- The outcomes of the AERs Ring Fencing Guidelines review will be important to ensure there is sufficient flexibility in the regulatory requirement for generation and maintenance arrangements to minimise the risk of disproportionate compliance costs for smaller SAPS systems.

In summary, we believe there are customers that may be better served by SAPS or other solutions and the current framework doesn't allow the best outcomes for worst served customers. As such, we support the adoption of a framework for South Australia that facilitates the implementation of SAPS where they provide better outcomes for customers in terms of social, environmental or economic impacts. South Australia is a world leader in distributed energy resources and SAPS are one of the tools to assist in this transition and are part of the future energy solution.

We would be more than happy to discuss our position with you in more detail.

Sincerely,



Dr Andrew Nance

On behalf of the SA Power Networks [Customer Consultative Panel \(CCP\)](#)

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