MASTER ELECTRICIANS AUSTRALIA

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Amendments of the *Electricity (General) Regulations 2012* to establish a new planning and forecasting function.

Leading by example to continue momentum towards net zero carbon targets.

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Master Electricians Australia (MEA) is the trade association representing electrical contractors recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. Our website is www.masterelectricians.com.au

MEA commends the SA Government's proactive response towards preparing for Consumer Energy Resources (CER) which are becoming increasingly utilised as the State aims to achieve its net zero targets. Throughout many submissions, we have advocated for the implementation of CER and its carbon-reducing, cost-saving benefits, however, we have also highlighted that public infrastructure is poorly prepared for change to the traditional demand/supply structure monopolised by generation and transmission sectors, dominated by large corporations. As we are at the beginning of rapid electrification where we can expect to see a rise in electric vehicles (requiring more energy for charge) and utilisation of two-way systems, it is more important than ever that State Governments design and develop critical infrastructure in advance electrification regulations to allow "100 percent net renewables by 2030 and net zero carbon emissions by 2050". It is for these reasons we support implementing reg 13B of the *Electricity (General) Regulations 2012* (the Regulations) to allow for timely and informed "planning and forecasting activities to assess the least cost pathway for the development of the South Australian power system."

Proposed New Function

S 13B(1)(a) - undertaking planning and forecasting activities to assess the least cost pathway for the development of the South Australian power system

In theory, MEA supports this function of the Technical Regulator as any endeavour to identify an approach that improves and balances the costs, reliability and security of the grid should be supported. The regulation is establishing a localised expert regulator who is better positioned that the AEMO to recognise timely State trends and opportunities that result in cost-efficient development options for SA's power systems, tailored to the State. However, we reserve our full support for the cost saving benefit until we see greater detail of methods and modelling, as it potentially creating duplication of regulation and extra red tape.

S 13B(1)(b) - providing a report to the Minister on the least cost pathway for the development of the South Australian power system

It is imperative that the Technical Regulator is reporting to the Minister to ensure its functions and progress towards its purpose of achieving "efficiency and competition in the Electricity Supply Industry" and "establish[ing] and maintain[ing] safe and efficient system of electricity, generation, transmission, distribution and supply" is achieved. This requirement further ensures a chain of culpability/accountability is established and maintained. We note the initial reporting requirement of is semi-annual under reg 13B(1)(b)(ii) but can be changed at the Minister's discretion under reg 13B(1)(b)(i) and reg 13B(2)(a). MEA urge there to be a minimum regulatory requirement of annual reports to ensure the Technical Regulator's functions remain monitored and answers to the elected government on a regular basis.

S 13B(3) – In addition, the Technical Regulator must, on an annual basis, prepare and publish on a website maintained by the Technical Regulator a report on the least cost pathway for the development of the South Australian power system Response

It is essential the Technical Regulator provides annual public reports to enable democratic public security of its functions, decisions and effectiveness. Whilst we appreciate there will be certain matters of a truly confidential nature, we are concerned the Minister may have a conflict of interest in determining what is considered private by necessity and what is considered private to avoid scrutiny for the government of the day. We suggest an external third-party

reviews discrepancy in what is being reported to the public to ensure the public version is adequately complete.

Conclusion

The introduction of a localised expert Technical Regulator in South Australia will likely enhance efficiency, reliability and costs of grid infrastructure that supports electrification CER assets. MEA agrees that the Technical Regulator positions SA to respond quicker to local needs and trends, and positions SA to exemplify the importance and benefits of upgrading infrastructure to support net carbon emissions. The State must do more than merely set net carbon targets and expect results to just happen; it must encourage consumer uptake of CER enabling cost-saving benefits to be reaped. We trust the Technical Regulator will act as a supporting intermediary between consumer and State to ensure continued momentum towards net zero goals are achieved.

We believe, in theory, the Technical Regulator will be capable of achieving its listed benefits on page seven of the Consultation Paper but we reserve our full optimism of the cost saving benefits until we see more detailed reports of modelling, decision making processes and outcomes as there is a risk that a creation of this state based body is duplicating regulation and increasing red tape for business and consumers. We further raise concern that the public reports may be incomplete where the Minister could take advantage of reg 13B(4)(b) by instructing information to be refrained from public reports to avoid scrutiny. It is for these reasons we suggest a third party, such as an appropriate independent statutory government office be included in reg 13B(4) to perform review functions to ensure the public report is complete. Accountability and transparency are critical, especially in time of such rapid and innovative change.