Attachment 1 Stakeholder feedback template

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

Organisation:

Contact name:

Contact details (email / phone):

| Questions | Feedback |
| --- | --- |
| **Question 1 – Jurisdictional opt-in provisions** |
| (a) | Should the arrangements supporting the transition to off-grid supply include an explicit mechanism to enable jurisdictions to determine when the national framework for SAPS would come into effect for DNSPs in their jurisdiction? |  |
| (b)  | Should this mechanism provide jurisdictions with the flexibility to opt-in to the national framework on a more bespoke basis e.g. on a regional or distribution area basis, rather than state or territory wide? |  |
| **Question 2 – Efficiency pre-condition** |
| (a) | Is the RIT-D and supporting consultation process appropriate in the context of SAPS, including in respect of the different models of SAPS supply (that is, microgrids and IPS)? |  |
| (b) | To ensure they remain fit-for-purpose in the context of SAPS, what (if any) amendments may be required to:* the RIT-D test (including to the classes of market benefits and costs)
* the RIT-D consultation process and information requirements (including in relation to the non-networks options report), and
* the AER’s application guidelines?
 |  |
| (c) | Is there a need to develop a light handed, targeted test to apply where the RIT-D is either not applicable or not proportionate? What might this test and/or assessment process look like? |  |
| **Question 3 – Consumer consent provisions** |
| (a) | Is a requirement for customer consent necessary? If existing consumer protections can be maintained for SAPS customers, is consent necessary? If so, should this be based on a unanimous or majority consent model? What are the implications and issues associated with each model? |  |
| (b) | Are customers equipped to make informed decisions, particularly with respect to understanding what they are agreeing to in terms of reliability and security, and potentially price, outcomes? Should explicit informed consent be required before DNSPs transition customers from the grid to supply via a SAPS? |  |
| (c) | Where consent is considered appropriate, could incentives be offered by DNSPs to secure the consent of affected customers? What might these be (and could the benefits of a SAPS be shared)? |  |
|  (d) | What alternative mechanism(s) could be used to ensure the long-term interests of affected customers are met? |  |
| **Question 4 – Regulatory oversight role** |
|  (a) | Is there a need to incorporate a formal oversight and/or approval role by the AER (or other appropriate body) in relation to the transition arrangements for DNSP-led SAPS? |  |
| (b) | Who would be best placed to perform such a role? |  |
|  (c) | If the AER is the appropriate body, what additional benefits might be provided by giving the AER additional powers in relation to SAPS, given it is already responsible for monitoring, investigating and enforcing compliance with various aspects of the energy laws and rules? |  |
| **Question 5 – Grid-connection pre-condition** |
| (a) | Should new customers or developments without an existing grid-connection be eligible for SAPS provision facilitated by a DNSP? Why or why not? |  |
| (b) | Would new customers always have a financial incentive to obtain SAPS from the competitive market? Could implementation of a SAPS for a new customer or group of customers by a DNSP result in network savings? |  |
| (c) | Would enabling DNSPs to consider and potentially implement a SAPS solution as an efficient alternative to grid connection for new customers damage the competitive market for SAPS? In answering this question, consider new customers located in remote areas where a competitive market for SAPS may not be established. |  |
| (d) | What are the potential issues associated with DNSP obligations to connect where SAPS are regulated under the national framework? |  |
| **Question 6 – Right of reconnection** |
| (a) | Should existing reconnection rights apply unchanged to DNSP-SAPS customers wishing to seek reconnection to the grid? Alternatively, should the SAPS arrangements include special rights for DNSP-SAPS customers seeking to reconnect/revert? |  |
| (b) | Should the reconnection rights of DNSP-SAPS customers who have provided consent (where applicable), or new customers, differ from the rights of customers who have not provided their consent to be moved? |  |
| (c) | What might a “return to grid process”, including charges, look like for DNSP-SAPS customers |  |
|  (d) | Would a mechanism need to be designed to avoid any potential to burden other customers with the costs of reconnection? |  |
| **Question 7 – Defining the SAPS system service(s)** |
| (a) | Should the national framework be designed around one model of SAPS service provision which could accommodate various circumstances? What might this model look like? |  |
| (b) | If the answer to the previous question is no, should this review focus on establishing a framework that allows DNSPs to pursue a variety of approaches to SAPS service provision, depending on the circumstances at hand? Why or why not? |  |
| (c) | In what circumstances (if any) might it be appropriate for a DNSP to own/operate a vertically integrated SAPS solution? |  |
| (d) | When (that is, at what stage point in the process) would contestability in the provision of SAPS be tested and by who? |  |
| **Question 8 - Role of the distributor** |
| (a) | Are the issues identified in the contestability of energy services rule change applicable in the context of SAPS? |  |
| (b) | Is it necessary and appropriate to restrict the ability for DNSPs to earn a regulated return on behind-the-meter and/or in-front-of-the-meter assets specifically associated with the provision of SAPS? Why or why not? |  |
| (c) | In what circumstances (if any) might it be appropriate for a DNSP to own/operate a vertically integrated SAPS solution (that is, to seek an exemption (where relevant) from restrictions on asset ownership)? |  |
| **Question 9 – Provision of retail services** |
| (a) | Is it likely to be feasible to design arrangements to provide SAPS customers with access to retail competition? What might these arrangements look like? |  |
| (b) | What specific retail services would need to be provided to customers supplied via a SAPS model of supply? |  |
| (c) | Is there a need for a separate retailer role (distinct from the provision of other services) within the SAPS model of supply? Why/why not? |  |
| (d) | Should retail services be managed by an authorised retailer? |  |
| **Question 10 – Other roles/responsibilities specific to stand-alone power system provision** |
|  | Who are the key stakeholders within a SAPS model of supply (other than the DNSP and the retailer) and, specifically, what would be their key roles and responsibilities? |  |
| **Question 11 – Treatment of existing market participants** |
| (a) | Which existing market participants (if any) may be impacted by a DNSP’s decision to transition a customer (or group of customers) to a SAPS model of supply? |  |
| (b) | Should DNSPs be required to consider the impact of transitioning a customer (or group of customers) to a SAPS on these participants? Why or why not? Via what mechanism? |  |
| (c) | Is it necessary to put in place special arrangements for market participants, including embedded generators or retailers, who may be affected by a DNSP’s decision to transition customers to a SAPS model of supply? What might these arrangements involve? |  |
| **Question 12 – Roles of AEMO and the AER** |
| (a) | What role could/should the AEMO play within the framework for SAPS provision by a DNSP? |  |
| (b) | What role could/should the AER play within the framework for SAPS provision by a DNSP? |  |
| **Question 13 – Retail price protections** |
| (a) | If retail competition is not possible in SAPS, what alternative protections may be appropriate (e.g. retail price controls) for customers receiving supply via SAPS? |  |
| (b) | Would applying the pricing condition from the AER’s retail exempt selling guideline to not charge more than the standing offer price that would be charged by the local retailer be appropriate for SAPS, if retail competition does not apply? Is there an alternative price control that would be more appropriate? |  |
| (c)  | In the areas that currently have price regulation, is extending that price regulation to customers in SAPS an appropriate approach? |  |
| **Question 14 – Other national energy-specific consumer protections** |
| (a) | The Commission has suggested a general principle that energy-specific consumer protections for customers being supplied via a DNSP-led SAPS should be equivalent to those for grid-connected customers. Are there any significant provisions that wouldn’t apply, or would require amendment for customers under a DNSP-led SAPS model of supply? |  |
| **Question 15 – Consumer protections specific to SAPS customers** |
| (a) | Are there any additional consumer protections that may be necessary for SAPS customers? |  |
| (b) | In relation to detailed product information for the SAPS, what are the minimum provisions that should apply (if any)? |  |
| **Question 16 – Options for providing electricity-specific consumer protections** |
|  | To provide equivalent protections for consumers receiving electricity supply via SAPS is the most efficient approach to amend the jurisdictional Acts adopting the NERL, as well as amending the NERL and NERR? Is there an alternative approach which may be more effective? |  |
| **Question 17 – Reliability, security and quality** |
| (a) | What reliability, security and quality standards are appropriate for DNSP-led SAPS? Should the same reliability and service quality levels apply as for grid-connected customers? |  |
| (b) | Are there any existing network reliability, security and quality standards that would be difficult to comply with for SAPS? For example SAIDI and SAIFI requirements may have equivalent principles, but the practice for determining them may be different in SAPS. |  |
| (c) | Should GSLs be determined for DNSP-led SAPS? If so, should the same standards apply as for grid-connected customers (why/why not)? |  |
| **Question 18 – Other jurisdictional consumer protection considerations** |
| (a) | Are the other jurisdictional issues presented in section 5.6 less likely to be a concern for DNSP-led SAPS (why/why not)? |  |
| (b) | Should any of these issues be examined in greater detail in relation to DNSP-led SAPS? |  |
| **Question 19 – Third party stand-alone power systems – decision making framework** |
| (a) | Which party should make the decision to transition customers to a SAPS and which party/ies should approve the decision |  |
| (b) | What should be the grounds for deciding to transition customers to a third party SAPS? |  |
| (c) | Which mechanisms should be employed to seek approval and/or consent? |  |
| (d) | If the consent of transitioned customers is sought, what is the proportion of customers that should provide their consent? Should consent factors be defined, and what should they be? |  |
| (e) | Should transitioned customers, either individually or collectively (in the case of a microgrid), retain the right to reconnect to the grid? |  |
| **Question 20 – Third party stand-alone power systems –asset transfer and stranded assets** |
| (a) | Is there a role for the AER, jurisdictional regulator or other body in setting or approving asset values and pricing methodologies as a result of the transfer? |  |
| (b) | How should asset transfers be treated in the DNSP RAB? |  |
| (c) | How should stranded assets be treated in the DNSP RAB? |  |
| (d) | Should corresponding fees be charged to the transitioned customers and customers left behind on the grid? |  |
| (e) | Is a dispute resolution framework design required for asset transfer and stranded assets?What are the key elements of the design? |  |
| **Other comments on the review or consultation paper** |
|  | Do you have any other comments on the rule change request or the consultation paper? |  |