

9 April 2021

Department for Energy and Mining
South Australian Government

Submitted via email: dem.smartappliances@sa.gov.au

Re: Consultation on proposed Demand Response Capabilities for Selected Appliances in South Australia

Energy Networks Australia (ENA) welcomes the opportunity to provide input to the South Australian Government's consultation on proposed Demand Response (DR) capabilities for selected appliances.

ENA is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

We applaud the South Australian government's vision and leadership as it looks to the future to secure its energy system and choice for customers. South Australian's are leading the way nationally and globally in innovative approaches to energy and as a result it is important to consider that approaches in South Australia are likely to have application nationally.

ENA believes that this consultation is an important signal to the Original Equipment Manufacturing (OEM) community in Australia and beyond, in setting expectations for future appliances not only in South Australia, but elsewhere. It will be critical to ensure that products and product standards keep pace with technological innovations and the need for responsive assets to support electricity network operation.

As highlighted in the consultation paper, ENA believes that DR devices should be used to flexibly respond to financial incentives or emergency events to help support the electricity network in times of minimum or maximum demand. We agree that DR devices could make a significant contribution to grid support as shown in other states¹.

It is our understanding that the paper seeks to legislate specific technical standards to guide OEMs to incorporate specific DR capabilities in their products. We wholeheartedly support the intent but believe there are some risks to this approach.

The significant pace of technological innovation in the energy market threatens to continually outpace the speed at which legislation can be amended. This is likely to leave customers, OEMs and the grid with a requirement to adhere to outdated standards, while awaiting the legislative changes needed to respond to a rapidly evolving system and approach.

¹ <https://www.energex.com.au/home/control-your-energy/managing-electricity-demand/peak-demand/peaksmart-events>

The consultation paper suggests AS 4755.2 and AS 4775.3 as the only acceptable approach for DR in South Australia. We caution against being too prescriptive as a significant number of current devices in the market now and already installed by customers have demand response capabilities under AS 4755.1 which could still be fully utilised to provide flexibility.

Removing access to appliances that do comply with AS 4755.1 would result in customers having stranded assets and lock out other market-led solutions that are available today or in the near-future, reducing the range of appliances that customers can access today to deliver more immediate flexibility options. There is also a risk that requiring customers to select only appliances that comply with AS 4755.2 and AS 4775.3 will result in a delay in deployment, while OEMs develop new appliances to meet the required standards, and potentially increasing costs for customers.

An approach that supports the expanded use of current appliances for DR, while supporting the development of newer appliances, might be to incentivise products compliant with AS 4755.2 and AS 4755.3 without mandating their use through legislation. This would allow the continued use (and development) of other technical standards (such as AS 4755.1 and others) which could lead to more cost-effective, market-led outcomes for customers and a more immediate deployment of appliances that are responsive to grid needs.

We thank the Department for their consideration and if you have any questions or would like to discuss specific topics further, please do not hesitate to contact Dor Son Tan, Head of Distribution at dstan@energynetworks.com.au.

Yours sincerely,



Jill Cainey

Acting Chief Executive Officer