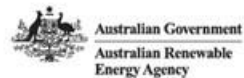


# Networks Advisory Group

## Meeting 4 Briefing Formation

Wednesday 14 April 2021 | 2.30 – 4.00pm AEDST



# Agenda



Item	Lead	Timing
Welcome, Acknowledgement of Country and Safety Moment	John Theunissen	5 min
Project status, reflections from Meeting 3, and the focus for Meeting 4	John Theunissen	10 min
Overview of the proposed Local Services Exchange process which underpins the procurement and delivery of network services via the DER marketplace	Sean Cumpston / John Theunissen	15 min
Introducing the proposed network services to be tested in EDGE, followed by a closer look at the most “familiar” services and how they are defined	Sean Cumpston / John Theunissen	15 min
Introducing the discussion topics	John Theunissen	5 min
Interactive session – NAG member inputs/guidance/insights on local services exchange process and service definition	All – Facilitated by Nous	30 min
Wrap up and the look ahead	John Theunissen (AST)	5 min

A photograph of a dense forest of tall, thin trees with green foliage under a blue sky. The trees are the central focus, with their trunks and branches creating a complex pattern against the sky. The ground is covered in green grass and some white flowers.

## Acknowledgment of Country

We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture.

We pay our respects to their Elders past, present and emerging.

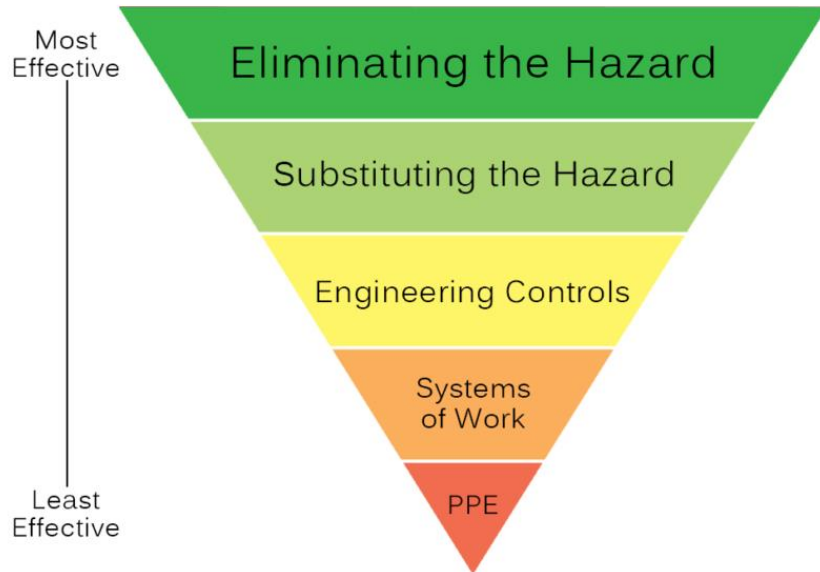
**Safety moment**

# Ground asset inspection teams

Improving the safety of employees and contractors having to work in high risk environments



## Risk Control Hierarchy



# Project Status, reflections on Meeting 3 and the focus for Meeting 4

# Project Status

## Current position

- DERMS procurement finalised
- Various stakeholder engagements undertaken
- Hume 1 operating envelope algorithm developed
- Network services definition in progress
- Hume 1 customer sign-ups initiated

## Key upcoming activities

- Technology vendor on-boarding
- Appointment of Knowledge Sharing Partner and further development/refinement of knowledge sharing plan
- Architecture and data prep work

# Reflections/summarised outputs from Meeting 3



## Reflections

- *General appreciation for the level of sharing and open discussion around the details of the proposed market operating models to be tested*
- *Suggestion to have a “base case” with rudimentary/pseudo-static operating envelope limits*
- *Consider testing how network pricing guides/shapes active DER behaviour – this was seen as valuable evidence that could support future Tariff reform*
- *Reliance on “complete” network data and AML measurements for the calculation of operating envelopes may be problematic for scaling, and have limited application for non-Victorian DNSPs – it would be advantageous if simplified analytics could also be tested with minimal data requirements*
- *Assessing the impact of network-side “levers” (e.g. voltage regulation) on the DER marketplace is supported and worthy of consideration*
- *A continued thread of simplicity in design is encouraged – e.g. over-allocate network access capacity knowing there will be some diversity. This may simply address potential under-utilisation and reduce constraints for Aggregators*

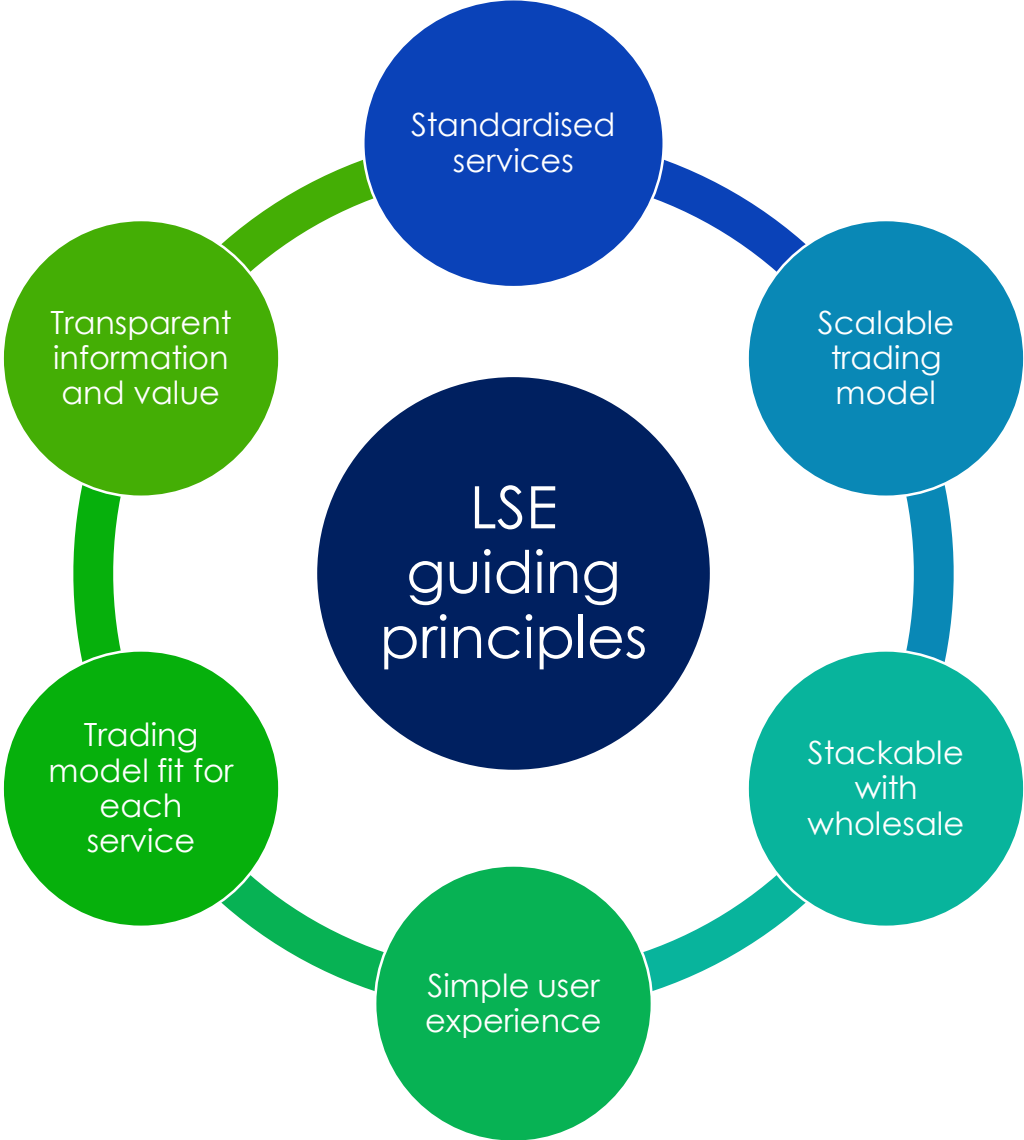
## Key outputs

- *Strong support to include/broaden the scope of network pricing/tariffs in the models to be tested*
- *Where possible, provide evidence that aligns with a progressive (from simple to sophisticated) operating model approach, so that differences in outcomes can be assessed, informing practical next steps for industry*



# Overview of the proposed “Local Services Exchange” process in EDGE

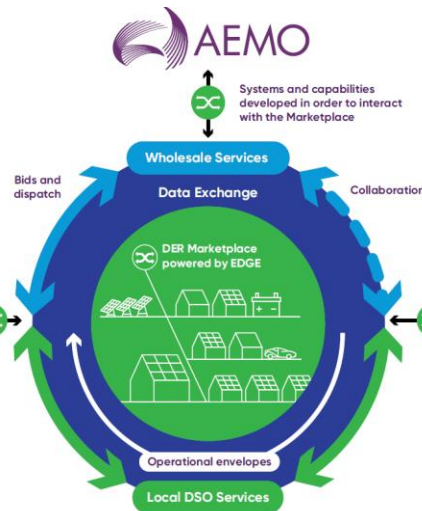
# Local Service principles



# Local Services – Proposed process/roles

## Aggregator

Aggregators use EDGE to access and deliver electricity services on behalf of consumers, including wholesale services to AEMO and local network services to DSOs.



## Distribution System Operator

DSOs manage their networks by matching DER access to available network capacity, and procuring local services to meet specific needs.

View posted service needs and assess whether to submit an offer

### Define

Define service characteristics and contractual terms, post service need to LSE

Submit enrolment information and performance test data

### Enrol

Assess performance test data and pre-approve to participate

Submit offer - if accepted, exchange contracts per pre-agreed terms

### Engage

Post service opportunity, assess offers from pre-approved participants, exchange contracts

Respond to dispatch signal to deliver service

### Deliver

Schedule service delivery or trigger dispatch via EDGE

Submit service verification data

### Verify

Download/view data on EDGE  
Assess data to verify performance

Set up standard queries for reporting

### Report

Set up standard queries for reporting

Proposed network services to be tested in  
EDGE, with a focus on the definition of some of  
the more “familiar” services

# Local Services considered for testing

## Capex deferral

- Service as alternative to investing in new network capacity
- Increase generation or reduce controlled load at particular locations

## Peak Demand / Generation

- Response during forecast peak demand / generation windows ( $\approx 5$  p.a.), to reduce the risk of asset failure
- Note that this service is less firm and so is likely to be lower cost i.e. it could be a behavioral Demand Response program

## Voltage management

- Reactive power service to manage over/under voltage excursions
- To alleviate binding voltage constraints and unlock further export/import capacity

## Planned Outage

- Service to provide capacity for 1-6 week timeframe, to address planned outages

## Unplanned outage

- Used reactively with little or no notice to provide capacity to enable the network to be reconfigured

Primary focus

# Introducing the discussion questions

# Suggested topics to ponder and discuss

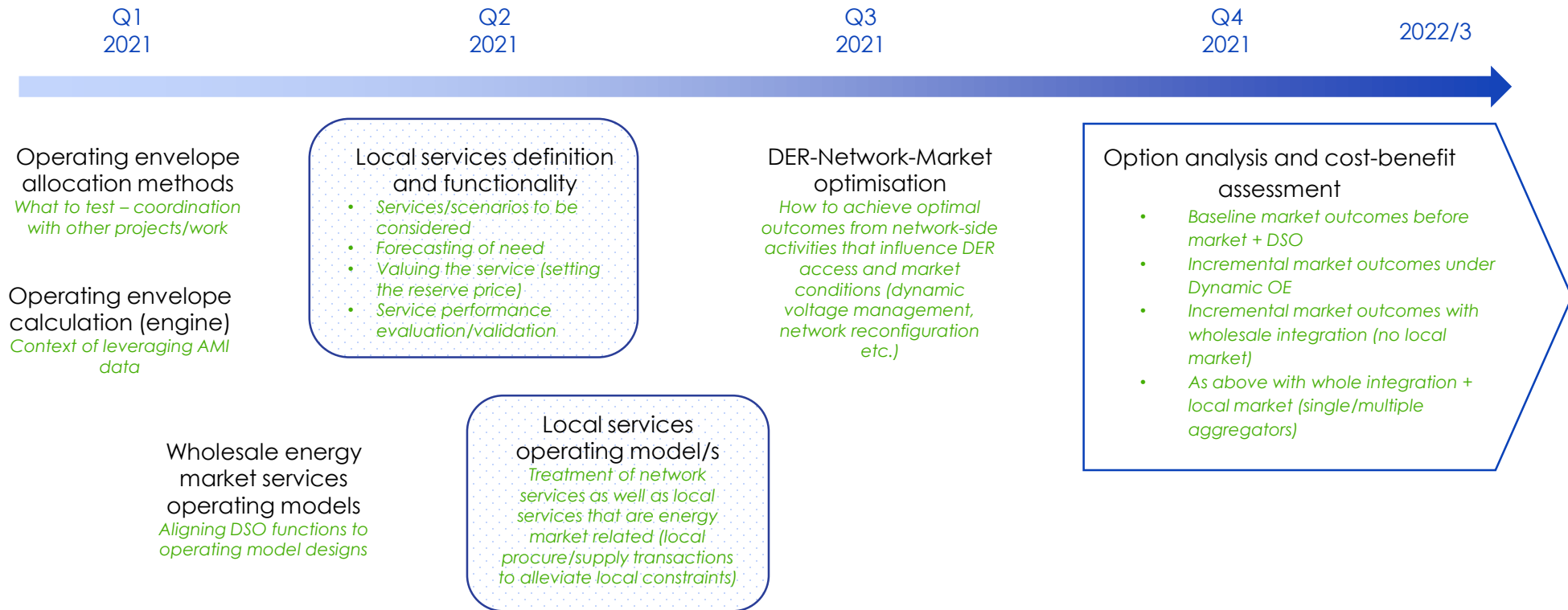
- Reflections on the proposed Local Services exchange process? How might it be improved/simplified/made easier to implement and operationalise?
- The proposed individual local network services to test are specified in terms of levels of “firmness”. What other categorisation could be used that might be more suitable?
- What suggested techniques or methods could be used to “value” the respective local network services that are to be procured from the market?
- We foresee challenges in measuring/validating the delivery of certain types of local network services (e.g. involving baselining). How might this be simplified, and what guidance could be offered for the testing within the trial?
- Reflections on the proposed definition of the local network services – what other approaches might be attractive to test for the industry?

**NAG member inputs/guidance/insights on the  
Local Service Exchange process and local  
service definition**



The look ahead

# Anticipated future Advisory Group focus



To be shaped by the Advisory Group member input