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Mr Nick Regan
CER Data Exchange Team
Australian Energy Market Operator
Submitted by email to: cerdataExchange@aemo.com.au

Dear Nick

REF: CER Data Exchange Industry Co-Design Consultation Paper (Oct 2024) - Submission

AusNet welcomes the opportunity to provide this submission to the Australian Energy Market Operator's (**AEMO**) consultation paper issued on the co-design process for a CER Data Exchange. AusNet is proud to be a supporting partner on the CER Data Exchange Co-Design initiative as we believe that this work will provide some of the answers to how we optimally integrate the growing fleet of CER, which is forecast to provide almost half of the generation capacity in the NEM by 2050[1].

As the largest energy business in Victoria, AusNet delivers energy to more than 6 million Victorian households and businesses, deploying $12 billion of assets across three core regulated networks: the state-wide electricity transmission network, electricity distribution and gas distribution. The role we play in supporting the Victorian Government's commitment to achieving net-zero greenhouse gas emissions by 2045 informs how we plan to deliver reliable and affordable energy services to our customers as the amount of CER on our network rapidly grows, while supporting customers to realise the value of their CER investments.

We are supportive of measures which will improve the integration of CER with distribution networks and the broader National Electricity Market (**NEM**). Enabling and supporting the secure and reliable exchange of CER information between customer agents and industry participants has the potential to promote efficient CER integration and help benefit all customers. The establishment of "common good infrastructure" such as that proposed by the Co-Design paper, when targeted correctly and delivered efficiently, is likely to remove some of the current barriers to improved CER coordination.

We are keen to ensure that the outcome from this work will deliver maximum value for customers. The approach to efficiently integrating CER must consider both, potential benefits and costs for customers. Therefore, to keep costs low, a balanced and staged implementation of supporting infrastructure such as the CER Data Exchange should be considered.

Our responses to the specific questions in the consultation paper are attached in **Appendix A**. Additionally, the following points summarise aspects of the consultation paper which we believe are central to achieving the best outcomes for AusNet and our customers:

- AusNet accepts and broadly supports the use cases developed through the working groups and workshops held by the Co-Design project and described in the consultation paper. The position set out in the consultation paper[2] that the CER Data Exchange is not intended to be used to communicate control instructions to CER by DNSPs is one that is strongly aligned with AusNet's views. We have invested significant resources into developing reliable, scalable, and secure means of communicating inverter controls to CER to manage Minimum System Load conditions and for communicating dynamic network limits to our Flexible Export customers and consider it in the best interests of customers that we leverage these capabilities that have already been paid for. The CER Data Exchange should not be scoped or presented as a replacement for those capabilities.

[1] AEMO (2024) Integrated System Plan for the National Electricity Market, p. 50
[2] AEMO (2024) CER Data Exchange Industry Co-Design Consultation Paper, p. 31

- The sequencing of how use cases are delivered by the CER Data Exchange must be informed by a realistic assessment of benefits that will flow to customers with each additional feature. Investments that will only deliver customer benefits in the future should be considered for implementation at a later stage where this is the most cost-efficient option, to minimise costs to customers. Where there are efficiencies in establishing foundational capabilities early as part of the initial implementation even where use cases that fully utilise those capabilities are only delivered in the future, this anticipatory investment should be supported by an options assessment and robust cost benefit analysis.
- The governance and ownership models described in the consultation paper are well considered and thorough, each with its strengths and weaknesses. We consider that, where applicable, leveraging existing governance frameworks and implementation options (such as the AEMO IDX) must be adequately considered before resorting to the establishment of new, dedicated arrangements. The more consistent and aligned the various reform programs and associated solutions to integrate CER are, the more likely it is that we will minimise waste and deliver value for customers.
- Notwithstanding the above point, it is important that an implementation of the CER Data Exchange secures the ability to effectively balance the need for stability and predictability of the Exchange functions with its ability to evolve and adapt as CER adoption and use matures for our customers. The pace of change in technology and consumer behaviour with respect to electrification and energy usage will require us to be nimble and consider how the CER Data Exchange can adapt to future needs.

If you have any enquiries, please do not hesitate to contact me on 0410690882 or at anoop.nambiar@ausnetservices.com.au.

Yours sincerely

Anoop Nambiar
DSO Product Owner
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Appendix A: Responses to questions asked in the consultation paper

Question asked in the consultation paper	AusNet's response
1. **Priority Use Cases: Do the identified priority use cases effectively address immediate data-sharing needs, and are there any additional use cases you would recommend prioritising?**	The priority use cases are reasonable. We note that while the absence of an open CER data exchange may act as a barrier to these use cases in general, the Local Network Services use case (#2), may be one where commercially available flexibility platform arrangements could currently provide much of the functionality.
2. **Strategic Use Cases: How do you view the long-term value of the strategic use cases and are there specific outcomes you would like these use cases to achieve in the future? Also do the strategic use cases sufficiently complement the priority use cases? Do you have any feedback on when these use cases should be implemented?**	As with the above, these use cases are broadly reasonable, the flexibility services request use case may require further detailed assessment to identify how customer value is delivered. If the value of that use case is predicated on enough customers or their agents subscribing and responding to retailer requests, it would be useful to sufficiently validate that assumption before implementing the corresponding exchange feature.
3. **Additional Use Cases: Are there additional or alternative use cases that would enhance the CER Data Exchange's outcomes?**	While implied in the consultation paper, it would be useful to call out that the Exchange would extend Identity and Access Management services for P2P B2B transactions between parties registered on the hub.
4. **Changes to Use Cases: Would you suggest any changes to the use cases presented? Please outline your reasoning.**	NA
5. **Prioritisation: Do you agree with industry preference that the CER Data Exchange should be designed with narrow capability initially but have the flexibility to expand in the future?**	Yes, AusNet agrees with and strongly supports this approach. Optimal implementation would require a deployment timeline that maximises value delivery and reduce large upfront costs.
6. **Capability: Do the proposed data sharing capability discussed above support both current and future CER data sharing use cases? Please nominate what essential data sharing capability would be required?**	In addition to the data sharing capabilities listed, publish/subscribe type functionality and a data catalogue should be considered. This would allow users on the platform to easily discover what data sets are available on the exchange and select to subscribe to information that is published for open use on the Exchange.
7. **Additional Features: What additional features or capabilities could improve flexibility and scalability in the CER Data Exchange?**	NA
8. **Ownership Preferences: Which ownership model do you believe is**	Model 2 with sufficient industry participation and oversight is our preferred option. If the AEMO IDX or similar infrastructure

	best suited for the CER Data Exchange: Industry-led consortium, AEMO-led, or a New Independent Government Agency? Do you have feedback on the models in addition to those summarised in this paper? Are there other ownership models not listed in this paper that you would like us to consider?	provided by AEMO is extended to provide the CER Data Exchange functionality, we would seek to secure sufficiently shared decision making.
9.	**Oversight – prescription vs discretion: What level of oversight should apply to the CER Data Exchange? Should its operation be heavily prescribed, or should it be provided with operational discretion?**	The optimal arrangement would be one that falls between the two extremes and provides a balance of prescriptive core accountabilities and a second tier of discretionary operations.
10.	**Oversight body: Who should be responsible for overseeing the CER Data Exchange's operation? Are there other models of oversight that you would like considered? How important is regulatory independence in overseeing the CER Data Exchange, and would a new dedicated oversight agency or body better support transparent, impartial governance?**	The most efficient outcome is likely to be one where the oversight is provided by existing, impartial regulatory bodies such as the AER, utilising existing heads of power under the NER. The caveat to this is that the consequential burden of regulatory compliance must be carefully assessed in how the oversight function is established. Undue compliance costs will adversely impact benefits from the Exchange.
11.	**Data Governance Preference: Which data governance model best aligns with industry's desire for trust, compliance, and flexibility?**	Model B is likely to provide the best balance of flexibility and structure. Given the evolving nature of CER integration, an overly rigid data governance arrangement such as that considered under Model C would allow the application of existing regulatory bodies and expertise for the data governance function. However, the current regulatory roles and processes may not be flexible enough without additional rule changes to allow for efficient decision making for the exchange. AusNet believes that Model A is not fit for purpose and Model D is likely to be too costly and difficult to establish and run.
12.	**Adaptability: In your view, how should the data governance model support the integration of new use cases as CER technologies and industry demands evolve?**	The governance of how the Exchange responds to such future scenarios should be based on agreed principles which preserves the ability to establish new CER data use cases on the Exchange, when proposed, adequately supported, and confirmed as able to deliver material value to customers, and where a viable and better alternative has been demonstrated to not exist.
13.	**Stakeholder Engagement: How frequently and in what format should the data governance framework engage stakeholders on changes to standards, compliance requirements, or new use cases?**	We should adopt learnings from existing arrangements such as the AEMO Information Exchange Committee and establish a cadence and protocol for deliberating on changes to standards, compliance requirements and Exchange use cases such that they adequately balance the need for stability and reliability of Exchange features and standards with that for flexibility and extensibility of the same. We propose that there is a regular governance committee meeting where exchange operational metrics and proposed changes are considered for approval. This could work to a quarterly frequency. Urgent changes may be dealt with using an out of cycle expedited process.

14. Data Quality: Whilst not included in the scope of the CER Data Exchange, do you have feedback or key considerations for ensuring data quality in a manner which compliments the Exchange?	As presented in the consultation paper, the Exchange is primarily a framework and tool to enable efficient and secure information Exchange for CER data between organisations. Accordingly, data validation and persistence of data within the Exchange must be kept to a minimum – a principle where the provider of a given data stream would be accountable (within reason) to maintain an agreed level of data quality is recommended. A mutually accepted, good faith based continuous improvement process may be implemented to provide feedback and incentivise data quality improvements where issues are identified.
15. Alternative Preferences: Are there any data governance models not listed in this paper that you would like us to consider?	NA
16. Phased Implementation Roadmap: Do you agree with the proposed phased approach for the CER Data Exchange implementation? What adjustments or considerations would you suggest to better align the phases with the needs of your organisation?	Yes, the three described phases, at a high level, provide the right staging for the implementation.
17. Cost Recovery Model Preferences: What are your preferences regarding cost recovery for the CER Data Exchange? Would a direct, shared, or government-supported model be preferred, and why?	The initial implementation is likely to significantly benefit from seed funding from Government and Industry bodies to ensure that funding insecurity does not compromise the timely delivery of the Exchange. Subsequently, a shared model may be appropriate for an initial usage period. A direct cost approach may only be viable once there is sufficient maturity and utilisation of the Exchange. Early engagement with the AER and AEMC on cost recovery routes for both the implementation and ongoing costs of any reform is encouraged.
18. Regulatory and Policy Reforms: Which areas of policy or regulatory reform do you believe are most critical to support the CER Data Exchange? How should these reforms balance compliance with operational flexibility?	The Data Exchange should be linked to existing regulatory frameworks which provide continuity and certainty to regulated entities such as AusNet. In addition, the application of existing frameworks should be considered in such a way as to not unduly impact flexibility and pace of change required to make the Exchange adaptive and useful at reasonable speed.
19. Technical and Operational Challenges: What technical or operational challenges do you foresee in integrating your systems with the CER Data Exchange? Are there specific support mechanisms that would facilitate smoother adoption for your organisation?	It is difficult to identify specific technical or operational challenges without a technical design for the exchange. In general, the work AusNet will need to undertake to integrate with the CER Data Exchange will benefit from the following: • Early provision of technical design details to allow sufficient time for the development of the integration modules. This includes details on agreed cybersecurity and data encryption arrangements that apply on the Exchange. • Access to a technical support team from the exchange provider with test environments and certification processes for AusNet to test and deploy its integration capabilities.
20. Impact on Stakeholders: What technical, regulatory, operational, or commercial impacts would you	We have a significant program of Digital work planned over the next few years and the timing and magnitude of effort and expenditure required for AusNet to participate in the implementation of a CER Data Exchange must be

anticipate from implementing the CER Data Exchange in your organisation, and how could the roadmap or cost recovery model alleviate these impacts?	managed carefully to ensure it fits within the broader program.