Mr Daniel Westerman
Chief Executive Officer and Managing Director
Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001

21 November 2024

Dear Mr Westerman,

CER Data Exchange Industry Co-Design – Consultation Paper

ENGIE Australia & New Zealand (ENGIE) appreciates the opportunity to respond to the Australian Energy Market Operator's (AEMO) consultation paper on the proposed framework for the development of a national Consumer Energy Resources (CER) Data Exchange.

The ENGIE Group is a global energy operator in the businesses of electricity, natural gas and energy services. In Australia, ENGIE operates an asset fleet which includes renewables, gas-powered generation, diesel peakers, and battery energy storage systems. ENGIE also provides electricity and gas to retail customers across Victoria, South Australia, New South Wales, Queensland, and Western Australia.

ENGIE provides its retail customers with access to innovative products that have a focus on CER, such as residential virtual power plants (VPP) and electric vehicle charging. ENGIE is also currently collaborating with several distribution network service providers (DNSPs) regarding opportunities for network-owned, retailer -leased, community batteries.

ENGIE is broadly supportive of the development of the CER Data Exchange and has current projects that would likely benefit from the existence of a centralised data exchange model. For example, ENGIE's VPP could operate more efficiently if we had visibility of each sites' dynamic operating envelope. ENGIE is also participating in the ARENA-funded Market Active Solar Trial, which will trial the communication of site export limits between a DNSP and a retailer.[1]

[1] ARENA, SA Power Networks Market Active Solar Trial, Project page, accessed at; https://arena.gov.au/projects/sa-power-networks-market-active-solar-trial/

ENGIE has provided responses to AEMO's consultation questions in the attachment to this letter. Should you have any queries in relation to this submission please do not hesitate to contact me on, telephone, 0436 929 403.

Yours sincerely,

Matthew Giampiccolo
Manager, Regulation and Policy

ENGIE response to consultation questions

Question 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?

ENGIE supports the CER Data Exchange targeting a limited number of specific use cases in the first instance that can provide core functionality for the Exchange. ENGIE agrees that the identified priority use cases are those that would address the most immediate data-sharing needs and are provide the most immediate benefits to consumers and network efficiency.

ENGIE considers the 'Sharing Network Limits' use case would enable more precise forecasting and planning on the utilisation of CER and the services that are best suited for those customers. The ability to have visibility over dynamic operating envelopes at a common integration point is a useful tool when attempting to forecast power imports and exports with a good degree of accuracy.

The 'Supporting Local Network Services' use case would support an extension of the services that a VPP operator would currently participate in. ENGIE considers this use case may result in more efficient use of network assets and optimisation of network support services.

ENGIE considers that data inconsistency and availability is currently a barrier to supporting mixed fleets of assets, which can create challenges for aggregators in supporting the devices that consumers want to purchase. The 'Consistent CER Standing Data' use case can support data being visible to multiple parties, which is not supported under communication standards such as CSIP-Aus.

Question 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?

ENGIE does not consider the strategic use cases to be urgent priorities for the CER Data Exchange. ENGIE would prefer that AEMO initially focus on the core functionality provided by the priority use cases.

The 'Visibility of CER Customer Choices' and 'Streamlined CER Portfolio Data Access' use cases appear to have the highest potential for delivering value as the CER Data Exchange expands functionality over time. Other strategic use cases, such as 'Flexibility Service Request' and 'Grid Data Collaboration' appear to have some applicability for certain stakeholders in the medium-term but do not appear to provide broader consumer or market benefits.

Question 3: Additional Use Cases - Are there additional or alternative use cases that would enhance the CER Data Exchange's outcomes?

As noted in response to the previous questions, ENGIE prefers that the initial focus of the CER Data Exchange is on the priority use cases, which can then be expanded to include some identified strategic use cases at a time when there is sufficient evidence to support that expansion.

In terms of additional use cases, ENGIE considers the CER Data Exchange may be able to help reduce the burden of AEMO's current processes for registering and modifying large fleets of assets. This is currently a complicated and time consuming process and could be optimised through the CER Data Exchange by providing visibility of data on the eligibility of devices on-site and facilitating better coordination between AEMO, aggregators, original equipment manufacturers, technology providers and/or other market participants. Enhancing the efficiency of the registration process would help support the integration and expansion of VPP fleets.

The CER Data Exchange could also be used to communicate dynamic operating envelopes for site imports to provide visibility of import constraints. One such use case is electric storage hot water units on controlled load circuits, which is starting to be shifted from an overnight load to during the day to take advantage of high rooftop solar exports. In some cases, retailers are able to dynamically adjust the timing of controlled load circuits. If retailers could view site import limit data, it would help retailers to ensure that controlled load circuits are activated during time windows that do not risk overloading the network infrastructure.

Question 4: Changes to Use Cases - Would you suggest any changes to the use cases presented? Please outline your reasoning.

No feedback.

Question 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?

ENGIE agrees that the CER Data Exchange should be designed with narrow capability initially, which will focus the development and avoid overbuilding for capabilities that may or may not be required in the future. ENGIE supports the CER Data Exchange having the flexibility to be expanded over time as evidence and use cases emerge to support new capabilities.

Question 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?

ENGIE considers that each of the proposed data sharing capabilities set out in Table 6 of the consultation paper are relevant. However, the most essential of these in the short-term will be information security, access management, data governance, and platform interoperability.

ENGIE agrees with AEMO that the CER Data Exchange should act as a data-sharing facilitator rather than a data processor.

Question 7: Additional Features - What additional features or capabilities could improve flexibility and scalability in the CER Data Exchange?

No feedback.

Question 8: Ownership Preferences - Which ownership model do you believe is 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?

ENGIE considers that all three ownership models should continue to be explored at this early stage.

The AEMO-led model has clear advantages due to the ability to build off existing functionalities, expertise and infrastructure. However, ENGIE agrees with stakeholder feedback that this model may have bureaucratic inefficiencies and it may be cumbersome to modify, update and innovate the framework over time. ENGIE considers the potential industry-led consortium model may address some of the potential issues with the AEMO-led model, through a framework that provides more flexibility to keep pace with technology advancements and capture new technologies when they are market-ready.

Regardless of the ownership model chosen, ENGIE agrees that strong governance and regulatory oversight will be critical to ensure the CER Data Exchange is unbiased and operates in a manner that is transparent, cost efficient, and delivers long-term benefits to consumers.

Question 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 appropriate level of prescription will be dependent on the ownership model that is implemented. ENGIE expects that there will necessarily be a combination of prescriptive and principles-based rules that should apply to all ownership model options. Principles-based rules provide greater flexibility for the regulatory framework to quickly adapt to market developments and should be relied on to the extent they do not create unacceptable risks to industry participants and consumers.

Question 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?

ENGIE's preference is that existing regulators and market bodies are relied on for overseeing the CER Data Exchange, rather than establishing a dedicated authority for this purpose. It does not appear to be a suitable option to incur the high start-up costs and long implementation times to develop a new authority when there are existing market bodies that have established administrative functions and industry expertise.

Question 11: Data Governance Preference - Which data governance model best aligns with industry's desire for trust, compliance, and flexibility?

ENGIE's initial preference is for Model A, where the CER Data Exchange operator would also act as the data governance authority. In our view, this model would enable decisions to be made and carried out quicker than the alternatives. ENGIE notes that it would be important to ensure that the frameworks set-up for the data governance authority ensure that industry has a clear role to participate and be consulted with in relation to the development of data standards and new use cases.

Question 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?

ENGIE views the integration of new use cases as critically important in ensuring that the CER Data Exchange retains relevance as the industry evolves and new technologies emerge. The data governance model should be designed to ensure it does not inhibit the evolution of technology. As noted in response to question 11, ENGIE considers Model A may be best placed to ensure the CER Data Exchange is responsive and can quickly adapt to new use cases.

Question 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?

Stakeholder feedback is crucial to ensuring that the data governance framework and the CER Data Exchange aligns with industry needs and can keep up with technology advancements and capture new technologies when they are market-ready.

It is challenging to definitively state the frequency and format for stakeholder engagement at this stage, but ENGIE expects there will be a role for regular broad industry working group meetings. It will likely also be beneficial to develop smaller technical working groups that can work through specific issues and challenges and propose iterations to frameworks.

Question 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?

No feedback.

Question 15: Alternative Preferences - Are there any data governance models not listed in this paper that you would like us to consider?

No feedback.

Question 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?

ENGIE supports the proposed phased approach for the CER Data Exchange implementation. As noted in response to the initial questions in the consultation paper, ENGIE's preference is that the CER Data Exchange is designed with a narrow capability initially with a focus on priority use cases.

ENGIE considers it is important that stakeholder engagement is completed before each phase of the implementation and that cost-benefit analysis is conducted prior to expanding the CER Data Exchange. The additional implementation phases should only progress once further evidence and use cases emerge to support the development of new capabilities.

While it is useful to identify the phases of implementation at this early stage, these should be able to be further refined and amended as new information becomes available over time. ENGIE considers the phases should remain flexible and AEMO should not necessarily lock itself into these exact phases if the market develops in a manner that no longer supports the phases as initially identified.

Question 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?

ENGIE suggests the development of a hybrid of the shared cost model that also includes public funding from governments. As there are broad concerns about cost-of-living pressures and sensitivity around increasing electricity bills, it may not be preferable to impose significant costs on industry that are passed through to electricity customers.

As the initial phase of implementation may involve the development of new agencies and other large fixed cost investments, it may be reasonable to have government support during the implementation phases and then to move to an industry funded model in relation to ongoing operational costs of the CER Data Exchange.

Question 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?

ENGIE considers the CER Data Exchange should be sufficiently flexible to adapt to any changes in the policy and regulatory landscape. The national and state-based regulatory frameworks will significantly change over the medium-term as the retail energy market transitions to support two-way flows of electricity and new forms of service provision emerge.

To the extent that the implementation of the CER Data Exchange requires participants to dedicate resources to upgrade systems and processes, ENGIE urges AEMO to take into account other industry reforms occurring simultaneously and the allocation of internal resources to manage this project in the

current forward-planning. It would be an inefficient increase in the cost burden of this framework if participants were required to flex their resourcing to support the introduction of the CER Data Exchange if it were implemented at a time where resources were already fully utilised for other regulatory reforms.

Question 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?

ENGIE's preference is that existing and standardised API formats should be utilised to reduce the effort and time required for developers to familiarise themselves with these APIs and undertake the integration work.

Any API documentation should not be subject to frequent versioning, instead updates should be bundled into annual releases unless a critical error occurs. Frequent changes can lead to frustration and uncertainty around how stable the integration is likely to be. Developers and integrators require easy access to subject matter experts that can assist without any significant delays.

Question 20: Impact on Stakeholders - What technical, regulatory, operational, or commercial impacts would you anticipate from implementing the CER Data Exchange in your organisation, and how could the roadmap or cost recovery model alleviate these impacts?

In addition to the comments on question 17, ENGIE agrees that cost recovery should be equitable. At least in the development phase, the costs should be distributed across all industry participants regardless of whether they utilise the CER Data Exchange. Recovering costs only from those that utilise the Exchange may deter participation, particularly in the early stages where costs may be relatively higher due to some potentially significant setup costs. More generally, ENGIE considers the CER Data Exchange should provide benefits to all industry participants whether they directly participate or not.