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Daniel Westerman  
CEO and Managing Director  
Australian Energy Market Operator  
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### **Feedback on the AEMO Consultation Paper on the CER Data Exchange**

Dear Daniel,

SMA-Australia welcomes the opportunity to provide feedback to the Australian Energy Market Operator (AEMO) Consultation Paper on the proposed framework for the development of a national Consumer Energy Resource (CER) Data Exchange.

SMA-Australia strongly supports the goal of AEMO to promote the efficient integration of CER into the energy system in Australia. We support the proposal to design a digital foundation to support multiple energy organisations to share CER information through a secure, reliable, flexible and cost-effective exchange.

We support the proposal for a CER Data Exchange. We recommend that improving the operation and integrity of the DER Register should be the highest priority use case for the CER Data Exchange. Commencing with the DER Register would be advantageous because:

- An accurate record of CER standing data is an essential foundation upon which more advanced functionality can be built,
- There is no dispute that the DER Register is the responsibility of AEMO, and that there is significant room for improvement in the registration process and completeness of data sets, and
- A thorough review of the DER Register would provide an opportunity to clarify the regulatory framework within which it operates, especially regarding use of remote update functionality and the status of customer data privacy protections.

Cyber security standards will be required to support the secure operation of the CER Data Exchange. Clarification of the customer consent and privacy protection framework for applications like the remote verification and updating of incorrect grid code settings would support the efficient operation of the CER Data Exchange, while ensuring protection of personal data.

SMA's position and recommendations are outlined in more detail in the attached submission.



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I would be delighted to meet with you to discuss these and other matters of mutual interest to SMA and AEMO. Alternatively, SMA-Australia staff will continue to engage with AEMO staff in the co-design workshops.

Best regards,

A handwritten signature in black ink, appearing to read 'Doris Spielthener', with a long, sweeping horizontal line extending to the right.

Doris Spielthener  
SMA Australia  
Regional Manager APAC & Managing Director Australia & NZ



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## Responses to questions raised in the Consultation Paper

**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 prioritizing?

SMA-Australia recommends the priority use case for the CER Data Exchange should be to improve the operation and integrity of the DER Register. There would be clear benefits in commencing with improvements to the DER register, which include:

- There is widespread agreement that the DER Register is a foundation upon which other capabilities and processes rely.
- As acknowledged in the Consultation Paper, current processes that rely on manual registration and incomplete data sets require uplift.
- The DER Register is the responsibility of AEMO, and so there should be no issues of governance or territorial disputes if that is the first project undertaken by the CER Data Exchange.
- The status of customer data privacy protections and the regulatory framework for the use of remote updates to CER standing data needs clarification. Commencing the development of the CER Data Exchange with its application to CER standing data would reveal the deficiencies in the regulatory framework and provide an opportunity to address them.

**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?

The proposal to use the CER Data Exchange to support local network services would be helpful to support the long-term strategy to enable the uptake of local network services. However, the likelihood of success for this initiative would be enhanced if there was support for it by distribution network service providers (DNSPs) or if the National Electricity Rules (NER) were amended to drive change in this direction.

**3. Additional Use Cases** – Are there additional or alternative use cases that would enhance the CER Data Exchange's outcomes?

There are sufficient use cases identified to demonstrate that the CER Data Exchange could deliver value to consumers, industry and the electricity system. Even if it only delivers an improved version of the DER Register that enables remote verification of compliant installations and corrections or updates where necessary, that would be a worthwhile contribution. Once a functional DER register is in place, it will be a basis for developing the more advanced functionality considered in the Consultation Paper.



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

We would propose improvements to the DER Register, which would include:

- Moving away from manual registration processes,
- Integration with DNSPs' connection approval processes,
- Ability to remotely verify and record whether installations are compliant,
- Subject to clarification of the regulatory framework and the implications for consumers, ability to remotely rectify faulty installation settings and update outdated settings.

**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 future?

Yes. The CER Data Exchange will have the best chance of success if it starts with an application that needs repair and that is clearly within the control of AEMO. AEMO will be able to build confidence and 'social licence' through a successful demonstration. Biting off too much to begin with risks putting the whole project in jeopardy, especially if the initial focus is in an area of disputed governance or territorial claims.

**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.

SMA supports the proposed approach of prioritising core functionalities in the CER Data Exchange that are essential for expanding to more complex use cases in future. We believe that *Consistent CER Standing Data* is the application that will be essential to more advanced functionalities. It is clearly within AEMO's area of responsibility and is the existing application that would benefit most from improvements to its functionality. The arguments for commencing the CER Data Exchange by replacing the DER Register are, we believe, very strong.

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

We support the Clean Energy Council (CEC) proposal to explore "how the CER Data Exchange could create a unified system that supports streamlined certification, product testing, and the development of a national register of approved CER products". The Small-scale Renewable Energy Scheme (SRES) is scheduled to finish in 2030 and at that point it is unclear what regulatory framework will exist or what incentives there will be for product manufacturers to ensure compliance with relevant standards. Building this capability into the CER Data Exchange would provide a foundation for regulatory frameworks after the SRES no longer exists.



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**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?

We would support either the AEMO-led model, or ownership and operation of the CER Data Exchange by an independent government agency.

The National Consumer Energy Resources Roadmap includes an objective to establish a national regulatory framework for CER to set and enforce standards, with the following timeline and milestones:

- 2024-25: Options agreed by Energy Ministers
- 2025-26: Legislation drafted
- 2026: New regulatory agency established

Considering this timeframe, it makes sense for the CER Data Exchange to initially be AEMO-led. The option of ownership and operation by an independent government agency could be considered in 2026 or later, after the agency has been established in legislation and has commenced operation.

**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 level of oversight should be ‘horses for courses’ with prescription where required and discretion where appropriate. For example, areas like privacy protection and cyber security should be prescribed because maintaining a high level of cyber security and privacy protection will be key to maintaining social licence. There will be other areas of operation where prescription is not as important and where allowing discretion and innovation would be appropriate.

**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 support transparent, impartial governance?

If the CER Data Exchange is initially owned and operated by AEMO, it could be overseen by the Australian Energy Regulator (AER).



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If ownership and operation of the CER Data Exchange ultimately transitions to a new independent government agency in 2026 or later, it should be overseen by the Federal Minister for Energy in consultation with the Energy and Climate Change Ministerial Council (ECMC).

**11. Data Governance Preference** – Which data governance model best aligns with industry’s desire for trust, compliance, and flexibility?

The data governance model should commence with an existing market body, preferably AEMO or the AER, and incorporating stakeholder consultation. The option to transition data governance to a new independent government agency could be considered after 2026.

**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 data governance role for the initial use cases for the CER Data Exchange could commence with AEMO and transition to a new independent government agency after the system the system matures. Data governance for future use cases could similarly commence with AEMO and transition to an independent agency after a successful demonstration phase.

**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?

Quarterly engagement of an industry and consumer stakeholder group would probably be frequent enough.

**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?

If the CER Data Exchange commences by replacing the DER Register, it could ensure data quality by building in functionality to remotely ‘ping’ CER systems to verify standing data.

**15. Alternative Preferences** – Are there any data governance models not listed in this paper that you would like us to consider?

No.

**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?



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Yes. We suggest the CER Data Exchange should begin with a use case that is important, is already within AEMO's domain, and that has significant room for improvement. Replacing the DER Register is the obvious choice.

**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 CER Data Exchange has been proposed as a public good. Funding by taxpayers is the best way to ensure a progressive and equitable funding model.

Where users are charged for the use of the CER Data Exchange, charges should generally be paid by those who obtain data. If users are required to pay to provide data to the CER Data Exchange, there will be an incentive to avoid providing data.

**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?

An important area of policy reform to enable the efficient operation of a CER Data Exchange that replaces the current DER Register will be to review the customer consent and privacy protection framework for personal customer data and other data that is not considered personal. For example, it is unclear under the current regulations what constitutes personal energy data, what privacy protections apply to inverter original equipment manufacturers (OEMs) and how that applies to the use case of remotely verifying grid code settings and, if necessary, rectifying them. SMA-Australia is working with AEMO to remotely verify grid code settings to determine which are compliant with grid connection requirements. In cases where we detect incorrect grid code settings, SMA has the capability to remotely update them. However, in most cases it is unclear whether there is a requirement to obtain customer consent prior to remotely updating settings. Only the Victorian DNSPs have made it clear in their Model Standing Offers (MSOs) that they have the authority to instruct OEMs to update grid code settings on behalf of their customers. Clarifying this area of regulation could improve installation compliance at relatively low cost.

Regulation for cyber security will also be important. Operators of customer data portals should be required to demonstrate compliance with standards for cyber security and privacy protection, such as ISO 27001 and the Australian Energy Sector Cyber Security Framework (AESCSF).

**19. Technical and Operational Challenges** – What technical and 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?



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One of the most significant challenges facing inverter OEMs is the expectation by DNSPs that they should be allowed to implement different systems and that it should be the OEM's problem to integrate with the multitude of changing requirements from DNSPs. If the CER Data Exchange means that inverter OEMs are required to integrate with one national system, rather than one system per DNSP, we would anticipate significant benefits for customers and for the entire electricity system.

**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?

The CER Data Exchange has the potential to lessen the operational and commercial impacts if it means that inverter OEMs and other technology providers only need to integrate with one national set of rules, rather than a changing set of rules for each DNSP.