



# Clean Energy Council submission to NSW Smart Energy for Homes and Businesses

## Consultation on Program Design

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback on the program design for the NSW Government's 'Smart Energy for Homes and Businesses' program.

The CEC is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in solar, wind, hydro, bioenergy, marine and geothermal energy, energy storage and energy efficiency along with more than 5,800 solar installers. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC supports the use of eligibility criteria for rebate programs to improve standards for safety, quality and technology.

Issues raised in this submission include:

- Product standards for batteries,
- Installation requirements for batteries,
- Quality service standards for system vendors, and
- Technology standards to assist network integration.

Key recommendations made in this submission are:

- Utilise the [Best Practice Guide: Battery Storage Equipment – Electrical Safety Requirements](#) to guide decisions on eligibility requirements for product safety,
- Require that all batteries be installed in accordance with CEC battery installation guidelines and utilise the new Australian Standard (AS 5139) as soon as practicable,
- Require all system vendors to demonstrate compliance with the requirements of the Approved Solar Retailer Code, and
- Ensure that technology requirements are consistent with the technology roadmaps for network integration that are being developed in South Australia by the Marshall Government working with SA Power Networks.

These issues are explored in greater detail below.

We would be very happy to discuss these issues in further detail. We look forward to contributing further to this important area for policy development.

## **Product safety standards for batteries**

The [Best Practice Guide: Battery Storage Equipment – Electrical Safety Requirements](#) (the guide) and the associated [Battery Storage Equipment – Risk Matrix](#) were developed by industry associations involved in renewable energy battery storage equipment, with input from energy network operators, private certification bodies, and other independent stakeholder groups and individuals, as well as consumer and electrical safety regulators.

The guide is intended to provide a minimum level of electrical safety criteria that could be applied to lithium-based battery energy storage equipment and is the result of extensive collaboration from system manufacturers, certifiers, safety regulators and industry bodies.

Products that meet this guide show a consistent level of safety and should give customers confidence that these products can be safely installed and operated in or outside their house. Devices that comply with this guide will have protection against many hazards that may occur during normal or abnormal operation of this equipment.

The guide is free to download and can be used by anyone. It covers battery storage equipment with a rated capacity of equal to or greater than 1kWh and up to and including 200kWh of energy storage capacity. The CEC has utilised the guide to develop explanatory flowcharts, online application processes, assessment and approval procedures and a [web site](#) with an up to date list of all the makes and models of energy storage systems that have demonstrated compliance with the requirements of the guide. The CEC strongly recommends the NSW Government utilise the guide as the minimum requirement for product safety for battery systems.

It should be a mandatory minimum eligibility requirement for all batteries eligible for rebates under NSW Government programs, including the 'Smart Energy for Homes and Businesses' program.

## **Installation requirements for batteries**

The [Best Practice Guide: Battery Storage Equipment – Electrical Safety Requirements](#) only covers electrical safety criteria for the battery storage equipment. It does not cover installation requirements for batteries. Installation safety issues need to be considered separately and reference relevant installation safety standards (such as AS/NZS 3000). The Australian Standard for battery installation (AS/NZS 5139) is expected to be published in early 2019. The NSW Government's 'Smart Energy for Homes and Businesses' program should reference AS/NZS 5139 as soon as practicable, following its publication. In the meantime, we strongly recommend the use of the CEC [Battery Installation Guidelines for Accredited Installers](#).

Eligibility requirements should include installation by accredited installers with the relevant endorsements to demonstrate the minimum training expected of designers and installers of systems incorporating energy storage.

## **Quality service standards for system vendors**

Retailers are just as involved in the sale and installation of solar systems as designers and installers. Consumers need to be confident that their retailer is complying with all relevant regulations and operating in a professional and ethical manner.

The [Solar Retailer Code of Conduct](#) is a way for solar businesses to show their commitment to responsible sales and marketing activities and solar industry best practice.

It is a voluntary scheme for retail businesses selling solar systems to households and businesses. Authorised by the [Australian Competition and Consumer Commission \(ACCC\)](#), the code aims to lift the bar higher than the minimum requirements set by government and regulations and bring about a better standard of service within the solar industry. The Solar Retailer Code of Conduct is already being utilised by the governments of South Australia and Queensland as an eligibility requirement for their solar and battery rebate programs.

The Clean Energy Council manages the code of conduct and ensures that signatories comply with its strict requirements all times.

Consumers who purchase from an approved solar retailer can be assured they are buying a quality product from a company that follows all relevant consumer protection laws and is prepared to back the operation of the solar system with a minimum five-year, whole-of-system warranty.

The code also has strict requirements that companies must following in pre- and post-sale activities, documentation and general business practices.

The code has significant market coverage. Signatories to the Solar Retailer Code of Conduct accounted for about 30 per cent of market share (by sales volume) in 2017, and the proportion is continuing to grow rapidly.

All vendors participating in the NSW Government's 'Smart Energy for Homes and Businesses' program should be required to demonstrate commitment to consumer protection and high standards of service by becoming signatory to the Solar Retailer Code of Conduct.

### **Technology standards to assist network integration**

The South Australian government intends to require manufacturers to demonstrate that their product is 'VPP-capable' (ie. capable of being part of a Virtual Power Plant) as an eligibility requirement for their battery rebate program. The CEC supports this approach and we are working closely with government officials and distribution network service providers (DNSPs) in South Australia (SA) and Victoria on the design of their battery and VPP programs. We note that the Victorian government is planning to release a 'technology roadmap' for batteries and other distributed energy resources (DER), to promote adoption of standards to support network integration of DER. We urge the NSW Government to adopt a similar approach and would encourage close collaboration with your SA and Victorian counterparts. We cannot afford a 'rail gauge' issue, with different states and territories adopting their own bespoke standards.

NSW Government officials should work closely with the counterparts in SA, Victoria and elsewhere to develop a shared approach to encouraging the uptake of technology for improved network integration.

### **Assistance with engagement and next steps**

The CEC is keen to work closely with the NSW Government in the design and implementation of the Smart Energy for Homes and Businesses program. We would be happy to arrange a workshop or forum where NSW Government representatives, DNSPs and other CEC members can discuss the issues together.