

30 July 2018

Andrew Dillon
CEO
Energy Networks Australia
Unit 5, Level 12, 38 Bourke St
MELBOURNE 3000

By email: info@energynetworks.com.au
Cc: sjohnston@energynetworks.com.au

Dear Mr Dillon,

RE: Open Energy Networks – Consultation on how best to transition to a two-way grid that allows better integration of Distributed Energy Resources for the benefit of all customers

Thank you for the opportunity to participate in this consultation.

GreenSync is an energy technology company pushing the boundaries towards more flexible and decentralised grids. We are focused on connecting millions of distributed energy resources (DER) to create more dynamic grids that deliver reliable, sustainable and affordable electricity. Together with our partners we are driving the decentralised energy exchange (deX)¹ to provide a dynamic marketplace for DER and existing energy resources.

Through deX we have been working in collaboration with networks, retailers, technology vendors and other stakeholders to develop technology solutions that address physical system needs *and* enable market opportunities. Together with project partners we are currently focused on defining functions and capabilities to enable visibility, orchestration and contracting of customer-owned distributed energy assets via deX.

We welcome the ENA and AEMO's joint initiative and want to emphasise the importance of driving and embedding engagement between aggregators, tech vendors, retailers and networks as all stakeholders bring different expertise to the discussion of what our future energy system looks like.

Regarding the framework options presented in the consultation paper, GreenSync does not endorse any particular framework as being the silver bullet that will transform our energy market to allow better integration of DER. However, we do endorse the seven principles for framework design and would welcome further emphasis on encouraging and facilitating innovation to embrace inevitable advances in energy technology.

¹ For more detail, see the [2018 deX white paper: Creating the grid of tomorrow, today: context, foundation principles & roadmap](#)



Irrespective of the framework that emerges from this process, there remains a clear role for the continued development of practical experience and building an evidence base to inform future functions, regulation and market governance settings.

To this end, we recommend that in parallel to discussions being pursued through this initiative, emphasis should be placed on conducting practical demonstrations of DER orchestration in regions and subregions where there are real, near-term needs to build the body of knowledge around what is possible and in what timeframe.

In our view, practical deployments are an invaluable way of informing future market functions and capabilities. One successful example of market experimentation, which the Open Energy Networks consultation may wish to investigate, was that pursued through the UK's regulatory sandbox approach.² Such an initiative would be a practical pathway to unlock real or perceived barriers to market development and innovation.

Importantly, every practical demonstration should move us towards a future where:

- Buyers and sellers of every shape and size are able to trade energy as needed based on price, demand and availability
- Consumer chosen technology is able to connect to the market/s
- Visibility and forecasting of DER is enabled for distribution businesses
- Consumer incentives are developed that encourage and enable DER to participate in any and all markets that emerge – including local markets
- Costs are optimised across the system and total cost to consumers is low.

Again, we commend the ENA and AEMO for this initiative and welcome further engagement around how to develop a market framework that will deliver better outcomes for consumers and the energy system.

For further discussion and elaboration on the above comments, please contact [Bridget Ryan](#).

Yours sincerely,



Bruce Thompson

² See Ofgem (2017). *The Innovation Link*, Open Letter, 4 July 2017, https://www.ofgem.gov.uk/system/files/docs/2017/07/update_on_regulatory_sandbox.pdf

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