



21 November 2024

Australian Energy Market Operator (AEMO)
Submitted via email to cerdataexchange@aemo.com.au

Submission: Consumer Energy Resource (CER) Data Exchange

CS Energy welcomes the opportunity to provide a submission to the AEMO's *CER Data Exchange Industry Co-Design Consultation Paper* (**Consultation Paper**).

About CS Energy

CS Energy is a proudly Queensland-owned and based energy company that provides power to some of our state's biggest industries and employers. We generate and sell electricity, we are an energy retailer to commercial and industrial businesses, and we are investing in new energy assets including renewable energy, firming and storage. We employ almost 700 people who live and work in the regions where we operate.

In Queensland's Western Downs we own the Kogan Creek Power Station and adjacent to our existing operations we are creating a clean energy hub that includes the Chinchilla Battery, Kogan Renewable Hydrogen Demonstration Plant and the proposed Brigalow Peaking Power Plant.

In Central Queensland we own the coal-fired Callide B Power Station and have a 50 per cent interest in the Callide C Power Station where we provide operations and maintenance services to the Callide C Joint Venture. We are planning a coordinated regional clean energy hub that prioritises new firming and storage assets at Callide, supported by investment in wind and solar energy in the broader Central Queensland region.

We also have a renewable energy offtakes portfolio of almost 300 megawatts, which we supply to large commercial and industrial customers in Queensland.

In South East Queensland, we are building the Greenbank Battery and we have a retail joint venture with Alinta Energy to supply electricity to residential and small commercial customers.

Overall views

As the NEM transitions to a power system with more CER, effective data exchange and coordination between various stakeholders will be crucial to realise the benefits of CERs for consumers. In this context, CS Energy supports the establishment of a digital exchange

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that will facilitate secure and efficient data sharing between organisations to enable markets that would support grid reliability, security and efficient energy use.

Specifically, CS Energy:

- Endorses a CER data exchange that focuses on existing functionality gaps and complements (rather than duplicates) existing systems;
- Supports adopting a phased approach to implementing the CER data exchange, focussing initially on use cases that offer immediate operational benefits; and
- Favours operational, governance and oversight models that leverage existing frameworks, systems and expertise.

A design that incorporates the above characteristics would likely result in a CER data exchange that is practical, more cost-effective, operationally more efficient and adaptable to evolving consumer and market needs.

Detailed comments

Well-targeted CER data exchange

CS Energy supports a CER data exchange that facilitates organisation-to-organisation data sharing by connecting existing data sources without storing information or having a role in CER device control. This data exchange should complement existing systems such as participants' internal databases, the Distributed Energy Resource (**DER**) Register and Consumer Data Right (**CDR**) framework rather than seeking to replace/duplicate these systems.

Implementing a well-targeted exchange that focuses on standardised data transmission and interoperability should reduce our reliance on fragmented point-to-point connections that are less scalable, operationally more complicated and more costly when sharing data between organisations. CS Energy also considers that data preparation should be the responsibility of users of the CER data exchange given that they are best placed to establish a single source of truth, which ensures data accuracy and adherence to agreed standards.

Phased approach to implementation

CS Energy endorses a phased approach to implementing the CER data exchange. Such an approach should offer sufficient flexibility for the CER exchange to adapt to evolving customer and market needs. The following use cases that offer immediate operational benefits should be prioritised:

- Facilitating distribution network support services – the use of CER to provide these services would alleviate distribution constraints and reduce the need for network augmentation. CS Energy has undertaken a trial to provide such services to Energy Queensland and considers that a CER data exchange with standardised data ecosystem and transmission would enable the scaling-up of trade in such services. Specifically, the CER exchange could support more efficient two-way data sharing between the CER operators and distribution network businesses during parts of the service life cycle, including the discovery, registration, triggering, and delivery verification.
- Sharing distribution network limits – Distribution businesses are starting to deploy dynamic operating envelopes (**DOE**) to facilitate more efficient use of existing network capacity by varying CER exports/imports dynamically depending on network conditions.

A CER data exchange can support this process by facilitating more efficient and widespread visibility of network constraints and flexible limits via a common integration point¹, where data can be shared with multiple parties at the same time. This would enable market participants to optimise the deployment and operation of CER in response to distribution limits, which in turn could enhance grid efficiency and support the uptake of additional CER.

Subsequent use cases for the CER data exchange should be broadly consulted after the implementation of priority use cases to appropriately account for evolving customer and market needs.

Operational, governance and oversight models

CS Energy favours operational, governance and oversight models that leverage existing frameworks, systems and expertise, specifically a structure where:

- AEMO would assume ownership and operational responsibility for the CER data exchange;
- Regulatory oversight is provided using existing instruments and bodies, including the:
 - National Electricity Rules (**NER**) and National Energy Retail Rules (**NERR**);
 - Australian Energy Regulator (**AER**) to assess the efficiency/prudence of expenditure and whether it contributes to the objectives of the CER data exchange to enable standardised and secure data transmission;
 - Clean Energy Regulator to oversee whether the operation of the CER data exchange aligns with its objectives, compliance with data sharing standards, and facilitates integration with the broader data related regulatory frameworks.²

The AEMO ownership/operation model can be operationally more efficient and potentially offer faster implementation relative to alternative models as it builds on AEMO's existing systems and capabilities in development such as the Industry Data Exchange (**IDX**) initiative³. However, there will be concerns about the potential operational bias with this model given AEMO's other core responsibilities.

CS Energy considers that such a concern can be addressed through robust regulatory oversight (as identified above) with input from public consultation processes and advisory bodies with broad industry representation and customer advocates.

Regulatory oversight established using existing instruments and bodies is likely to be more cost-effective and provide greater certainty relative to new frameworks/agencies. This is because such a model leverages existing resources, expertise and frameworks that could also result in more consistent enforcement and compliance.

Further, this model can be operationally more flexible by providing discretion to AEMO using a principle-based approach specified under existing instruments such as the NER and NERR, which allows for decision making processes that can adapt to evolving market needs.

¹ In this context, an integration point refers to a specific location within a system where different components or systems are connected to enable communication and data sharing.

² Compared to other existing market bodies (such as the AER and Australian Energy Market Commission), the Clean Energy Regulator has more experience in facilitating organisation-to-organisation data transmission through its oversight of the small-scale technology certificate (STC) clearing house and work related to the Australian Carbon Exchange.

³ IDX is an initiative aiming to modernise existing data exchange capabilities in the NEM electricity and gas markets by replacing legacy systems with secure, standardised integration platforms.

If you would like to discuss this submission, please contact Wei Fang Lim, Market Regulatory Manager, at wlim@csenergy.com.au or on 0455 363 114.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. Demaria', with a stylized flourish at the end.

Dr Alison Demaria
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