

10 February 2021

COAG Energy Council
GP Box 2013
CANBERRA ACT 2601

Email: info@esb.org.au

Dear Sir/Madam,

Enova Community Energy's Response to Consultation Paper on interim REZ framework

Thank you for the opportunity to comment on the ESB's Renewable Energy Zones Consultation Paper January 2021.

Enova is Australia's first community owned energy retailer. We established as a social enterprise in order to build self-sustaining and resilient communities through locally generated and shared renewable energy; to assist communities make the transition to renewable energy without leaving anyone behind; to keep jobs and profits in local communities; and to reduce carbon emissions.

Options for implementing Renewable Energy Zones (REZs)

We recognise the ESB's REZ consultation is occurring in the context of inter-related market reforms. In this context we propose consideration of existing and future inter-relations between large, medium and small-scale renewables and storage. We applaud the ESB's efforts to bring about sweeping and significant changes in the renewables sector, balanced with grid stability, security and reliability of supply. However, we are concerned that insufficient attention has been paid to renewable community scale distributed energy resources.

We propose stronger consideration of the connection or links to neighbourhood and street scale renewables, and household and residential scale, to fully recognise that an interconnected system of large, medium and small-scale renewables and storage can build resilience into the grid and into communities.

As a community scale energy retailer focussed on working with communities, and with a customer base which is already 60% solar PV enabled, we would like to see more recognition of (and support for) the results that can be achieved through the development of sub-regional self-sufficiency including storage i.e. enabling regions within states to move to near complete self-sufficiency. We do advocate for communities maintaining grid connectivity for reliability and security of supply. We recognise that large scale energy generation is required

to sustain our growing domestic market and export markets, however, increasing DER can result in increased resilience in metropolitan and regional areas.

So, for example, we would argue that sub-regions e.g. the Northern Rivers of NSW, could be developed, in which streets and small towns share storage; embedded networks, microgrids and virtual power plants operate; energy efficiency and demand management technologies are effectively implemented; local investors own community generation assets; and hospitals, airports and local industry are served with local generation and storage (with whatever appropriate combination of pumped hydro, solar, wind, hydrogen and bioenergy).

Not only is this possible, such sub-regions (or localities) offer more energy security and create stronger local economies. An Australia in which sub-regional economies can operate in this way needs to invest less in large scale transmission, and large-scale generation plants of any description. By localising generation and storage, less emphasis needs to be placed on transmission needs, and distributors can work within communities to ensure plans can be managed within sub-regions and don't impact on load at the regional level. We see this integration and connection with Renewable Energy Zones as vital in securing long-term reliability of supply, and ultimately lowering the cost of energy to businesses and consumers, as well as increasing system strength and building resilience into the grid through localised systems.

The development of SMART cities making use of all aspects of DER is a variant on this, and again, by investing in and assisting the development of technologies that work at the domestic scale, a rapid transformation of energy use, and reduction in emissions can be achieved.

Our argument is that by fast tracking actions concerning regulatory arrangements currently stalling the development of community scale projects (such as micro-grids, solar gardens, shared renewables and shared storage), which are required to enable self-sustaining communities and SMART cities, AEMO could facilitate the development of increasing quantities of DER without jeopardising the stability and security of the grid.

We would also support local use of system charges, in order to recognise that for energy generated, shared, circulated and distributed in local areas, costs are lower, and savings can then be shared across consumers, networks and retailers. Whilst the REZ large-scale infrastructure will be grid-connected as dedicated connection assets, planning for this type of solution in the future could be considered within the REZ construction e.g. mini-grids and microgrids.

We support the REZ coordinator model, recognising that a coordinated approach to new renewable infrastructure will assist to better manage new infrastructure on the grid as well as have oversight on large, and medium-sized renewable and storage projects to better connect regional energy systems. However, we again urge that community-scale generation and storage be taken into account.

I would very much welcome discussion on this and can be contacted on 0419 629 549 or felicystening@enovaenergy.com.au

Yours sincerely,

A handwritten signature in black ink that reads "Felicity Stening". The signature is written in a cursive, flowing style.

Felicity Stening
CEO
Enova Community Energy