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Department of Planning, Industry and Environment
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Submitted via Email: energy.consumerpolicy@dpie.nsw.gov.au

SUBJECT: NSW DPIE INFORMATION SESSION – DISTRIBUTOR-LED STAND-ALONE POWER SYSTEMS

Thank you for the opportunity to comment on the NSW Department of Planning, Industry and Environment's (DPIE) *Information Session: Distributor-led Stand-Alone Power Systems*, as part of the *Energy Customer Policy Reform* initiative.

Boundary Power is a joint venture between Western Australian energy utility, Horizon Power, and Australia's largest privately owned engineering company, Ampcontrol Limited, bringing together significant stand-alone power system (SAPS) expertise.

Boundary Power's team of SAPS specialists have a proven track record in the end-to-end deployment of utility-grade stand-alone power systems throughout Australia. In 2019 the team designed, deployed and managed Australia's first fully integrated, utility-grade stand-alone power system solution across regional Western Australia. The 17 SAPS units were deployed onto edge-of-grid customer homes and commercial properties east of Esperance, making Horizon Power the first utility in Australia to permanently remove 64 kilometres of poles and wires. Since this initial installation project we have continued to deliver SAPS solutions into Western Australia with over 40 sites in total plus an additional 20 sites by the end of this financial year 2021/2022.

Boundary Power has demonstrated that SAPS can meet the power demands of households and businesses, proving that poles and wires are not always the most affordable, safe or reliable way to deliver power. It is from this real world SAPS experience that we can see the benefits to end users, the communities and to network service providers of installing SAPS at edge-of-grid locations.

Regarding the specific questions posed in the consultation paper we have the following responses:

Issue 1. Service Delivery model – **Option 2 Direct Contracting** preferred

Our experience has been to work closely with an integrated power utility responsible for end-to-end service delivery (Horizon Power and Others). We see significant advantages in the utility providers directly engaging with SAPS customers as SAPS require far more complex customer interaction than a standard utility connection. This would ultimately lead to higher uptake of SAPS and customer satisfaction.

Issue 2. AEMC pricing approach – **Option 2 Retail Price Regulation** preferred

Pricing for energy services using SAPS should be broadly cost reflective, with distribution savings factored and the ability for time variation to provide incentive for consumption with solar energy alignment. This facilitates the management of customer expectation and through the recommended option of "Direct Contracting" under the service delivery model, utility providers would be able to work directly with customers to design the most cost-effective and fit-for-purpose solution.

Issue 3. Service Classification – **Option 3 Inclusion in the RAB** preferred

We see significant benefits in utility businesses being able to provision SAPS as part of network planning and optimisation directly. Should third party system provision be promoted then concerns would exist for poor end user outcomes and the potential introduction of operational inefficiency. As a technology solution provider, we also see merit in taking a utility asset view to the engineering and component selection, and quality and regulatory aspects of SAPS solutions which are critical in ensuring that customers transitioning from traditional poles and wires are not "worse off" and instead are provided with safer, greener and more reliable power under SAPS solutions.



Another aspect of Network Service Providers SAPS adoption is in response to emergency events such as bush fires or storm damage. For these resilience planning requirements, Boundary Power conducted extensive research and development resulting in a new type of fast deployable SAPS. The Solar Cube is a utility grade residential SAPS and has been recognised with multiple design and manufacturing awards. We attach the product brochure for further reference in this regard.

We look forward to further engaging with the change process in NSW and assisting to provide utility-grade SAPS solutions to locations across NSW.

Regards

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