



Department of Climate Change, Energy, the Environment and Water
Locked Bag 5022
Parramatta NSW 2124

7 March 2025

To the Department of Climate Change, Energy, the Environment and Water,

**NSW Emergency Backstop Mechanism and Consumer Energy Resources Installer Portal –
Consultation paper**

ENGIE Australia & New Zealand (ENGIE) appreciates the opportunity to respond to the Department of Climate Change, Energy, the Environment and Water's (Department) consultation paper on the proposed introduction of an emergency backstop mechanism and a Consumer Energy Resources (CER) installer portal.

The ENGIE Group is a global energy operator in the businesses of electricity, natural gas and energy services. In Australia, ENGIE operates an asset fleet which includes renewables, gas-powered generation, diesel peakers, and battery energy storage systems. ENGIE also provides electricity and gas to retail customers across Victoria, South Australia, New South Wales, Queensland, and Western Australia. ENGIE provides its retail customers with access to innovative products that have a focus on consumer energy resources (CER), such as residential virtual power plants and electric vehicle charging.

ENGIE acknowledges that the impacts of low operational demand levels are being experienced across Australian jurisdictions and emergency backstop mechanisms are being progressively introduced across the National Electricity Market. ENGIE is pleased that the Department has an objective to harmonise its emergency backstop mechanism and communication standards with other jurisdictions over time. ENGIE is also supportive of New South Wales Governments' commitment to accelerating the adopting of CSIP-Aus for two-way communication and the exchange of data to improve interoperability between devices. ENGIE would support the Department also specifically setting out how it will ensure the mechanism will be applied consistently across each of the New South Wales distribution network service providers.

ENGIE supports any emergency backstop mechanism being used only as a last resort measure to maintain system security. It is also important that the New South Wales Government consider measures to avoid the occurrence of minimum system load events in the first place and lessen the need for emergency response. For example, retailers may be able to use CSIP-Aus infrastructure to develop new products and services that can reward consumers for enabling their load and on-site generation to be responsive to market and network price signals. ENGIE is currently partnering with SA Power Network's 'Market Active Solar Trial' in

South Australia, which seeks to trial how a distributor's flexible export initiative can operate in parallel with retailer offerings to actively manage the output of a customer's solar inverter in response to electricity wholesale price signals. Through the trial, ENGIE will provide trial participants with benefits for enabling their solar output to be limited during times when the electricity wholesale price is negative.¹

ENGIE notes there are ongoing industry discussions around CER data hubs, such as the Australian Energy Market Operator's (AEMO) CER Data Exchange project.² These types of data hubs could enable relevant data and telemetry to be exchanged between industry participants (including distributors, AEMO, retailers, aggregators and other third parties), which would contain dynamic operating envelope information for specific sites to enable optimisation. ENGIE acknowledges that a centralised data hub will not be available for the initial implementation of the emergency backstop mechanism in Spring 2025, but the Department should give consideration to how the communication protocols for the emergency backstop mechanism could be integrated into centralised data hubs as these become more well-established.

Should you have any queries in relation to this submission please do not hesitate to contact me on,

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Yours sincerely,

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¹ SA Power Networks provided detailed background on the Market Active Solar Trial in its application to the Australian Energy Regulator for a waiver from the ring-fencing guideline. This information can be accessed at; <https://www.aer.gov.au/industry/networks/ring-fencing/sa-power-networks-ring-fencing-waiver-market-active-solar-trial-january-2024/initiation>

² Australian Energy Market Operator, CER Data Exchange Industry Co-Design, accessed at; <https://aemo.com.au/initiatives/major-programs/nem-distributed-energy-resources-der-program/markets-and-framework/cer-data-exchange-industry-codesign>