



Media Release

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Harnessing the power of consumer energy

The Australian Renewable Energy Agency (ARENA) has announced a major new initiative that will see the whole-of-the-energy industry working together to harness the potential of consumer owned energy.

Distributed Energy Resources (DER) are the vast array of decentralised, consumer-owned small scale energy technologies that sit “behind the meter” in homes and businesses including rooftop solar, home batteries, smart appliances, smart thermostats or pool pumps and charging points for electric vehicles.

According to CSIRO and AEMO forecasts, up to 45 per cent of all electricity generated in Australia will be coming from DER by 2050, compared to just 3 per cent today.

The Distributed Energy Integration Program (DEIP) is a collaboration of energy peak bodies, market authorities, industry associations and consumers associations to maximise the value of customers’ distributed resources for all energy users.

The joint initiative will involve ARENA, Australian Energy Market Operator (AEMO), Australia Energy Market Commission (AEMC), Australian Energy Regulator, Clean Energy Regulator, Energy Consumers Australia, Clean Energy Council, Australian Energy Council, Energy Networks Australia, CSIRO and Clean Energy Finance Corporation.

To deal with the expected increase in uptake of rooftop solar, home batteries and other technologies - such as smart appliances and electric cars - over the coming decades, changes are required to system planning, operations, markets, regulatory frameworks and industry business models.

The DEIP will work together to coordinate the rollout of initiatives aimed at growing the penetration of DERs in Australia through improved cost and time efficiencies, informing energy consumers and supporting development of innovative business models.

ARENA CEO Darren Miller said bringing together key stakeholders in the energy sector would help to ensure quicker and more effective integration of DERs.

“Australia is at the global forefront of the adoption of distributed energy, and will have

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one of the most decentralised energy systems in the world in the coming decades.

“There are currently over 1.8 million rooftop solar systems already installed in Australia, and this is only expected to grow as more Australians install home batteries, home energy management systems, smart appliances and start driving electric cars.

“The uptake of these technologies is only expected to grow which is why we need to grapple with the implications of this now,” he said.

DER has the potential to support a reliable, affordable and lower-emissions electricity grid, Mr Miller said.

“Rooftop solar, home batteries and other behind the meter technologies are going to reduce energy costs for the consumers that buy them, but this is a huge disruption to the traditional management of the grid and operation of the electricity market,” he said.

“DEIP’s whole-of-industry approach will ensure we share ideas, knowledge and resources. By bringing together key industry, government bodies and consumers, we will ensure that everyone is on the same page and agrees on the best way to integrate consumer energy into the grid and transform our electricity system into a two-way street,” he said.

ARENA’s funding will support a wide range of initiatives in partnership with other agencies to address technological challenges, regulatory and market barriers and consumer issues.

“A key challenge in this transition is ensuring that consumer-owned assets help support reliable and secure system operation, and that fair value is provided back to customers for their investments,” Mr Miller said.

“We look forward to integrating DER in a way that maximises consumer value through price, greater choice, and the provision of a secure and reliable system,” AEMO Managing Director Audrey Zibelman said.

“The future power system will see more consumers buying and selling energy in a dynamic way in response to price signals. The AEMC is adapting regulatory frameworks so consumers can optimise the value of their investments in distributed energy resources. This can help consumers manage their bills, while also providing more options for AEMO to keep the system secure and reliable,” said AEMC Chief Executive Anne Pearson.

For further information, visit
arena.gov.au/where-we-invest/distributed-energy-integration-program