

Ms Naomi Menan
Director
Competition Exemptions
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

13 December 2024

Dear Ms Menan

Energy Networks Association Limited and others application for authorisation (AA100688)

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission in response to the application, submitted by Energy Networks Association Limited (ENA), Synergy and others ('the Applicants'), for authorisation of certain conduct required to establish, and give effect to, national energy Public Key Infrastructure (PKI) for the management of Consumer Energy Resources ('the Proposed Authorisation').

The AEC is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation which is a part of the transition currently occurring in the industry. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers. The AEC and its members are strong supporters of protections that provide appropriate support for all customers and the need to ensure regulation is fit for purpose in the evolving energy market.

The AEC is supportive of the need to establish an entity for the procurement of PKI services and the supply of PKI services to support the integration of consumer energy resources (CER). We acknowledge the importance of a national approach to PKI for CSIP-Aus to support the implementation of emergency backstops, to reduce the need for bespoke solutions by individual networks, and for cyber security.

The AEC acknowledges the need for industry engagement and collaboration in support of this policy priority. The AEC has noted that the governance of the proposed not for profit company (NEPKI) would be strengthened by ensuring there is a stronger balance of representation from prospective users of PKI services (i.e., PKI Consumers other than distribution network service providers and Synergy).

The AEC has noted the observations in the application that "under NEPKI's company constitution, ENA and Synergy will each control 50% of the voting power at general meetings and will appoint an equal number of directors. ... Once the project is in the operational phase, NEPKI's constitution provides for 6 directors that are independent from the members, including 1 representing AEMO should it choose to participate." The application also notes that "While managing authentication for communications with CER for emergency backstops and flexible exports is the current and key driver for the establishment of a national energy PKI, the CER Roadmap identifies the expansion of the PKI to manage communications for other energy services, EV charging, and virtual power plants" and "Retailers may also seek to use CER in 'virtual power plants' to manage their financial exposures in energy markets".

We are supportive of the Applicants' intent to include directors from independent members (including AEMO). We submit that any authorisation should be conditional on a requirement that the constitution of NEPKI be amended to provide for representation at the ownership and director level from other

industry bodies capable of representing other industry stakeholders. This could be a time-bound requirement (e.g., to be implemented within three months) and would specify other parties to be included such as AEMO, original equipment manufacturers representatives, and retailer representatives. From discussions with the Applicants, we understand that representation of a cross section of industry stakeholders is the Applicants' intent and this would include retailer, AEMO and original equipment manufacturers representatives.

Any questions about this submission should be addressed to Jo De Silva, General Manager Retail Policy by email to jo.desilva@energycouncil.com.au or by telephone on 03 9205 3100.

Yours sincerely,

Jo De Silva

Jo De Silva
General Manager Retail Policy