



# PV Industry Alert

29 June 2015 – Issue 21

## The new National Energy Customer Framework is almost here

While it has previously been implemented in other States, the [National Energy Customer Framework](#) (NECF) will **come into effect in Queensland on and from 1 July 2015**. NECF is a set of national laws, rules and regulations that have been developed under cooperative arrangements between the State and Australian Governments.

NECF commencement aligns with the start of Ergon Energy's new five-year Regulatory Period. Together, they're catalysts for a number of changes in the way that applications are managed. The changes mean there are pros and cons for you and the PV industry, so understanding both will help avoid difficult situations, streamline your business processes and deliver good results for your customers.

Under the new Framework, solar PV systems, batteries and any other forms of inverter energy systems rated up to 30kVA are now referred to as **micro embedded generating (micro EG) units**. The information in this PV Industry Alert specifically relates to micro EG units. For information on embedded generating units above 30kVA, please refer to our [website](#).

From 1 July 2015, the applicant does not have to be the electricity account holder and can act with the authority of the customer to receive the offer (approval) or options. However, the final signed contract (even if executed by the applicant on behalf of the customer) remains between Ergon Energy and the retail customer (electricity account holder).

Importantly, those making the application for the customer also take on the responsibility to liaise effectively with them and with Ergon Energy, keeping their customer informed about the application's status.

## Getting the assessment information correct is crucial

Under the new rules, if an application has failed our assessment because we didn't have all the detail and so used conservative assumptions about the customer's electrical installation, we will then need to confirm those assumptions with the applicant. This can create delays for applicants and their customers, and in future, possibly extra costs. To ensure the offer process runs smoothly, especially for premises that have consumer mains, sub-mains, multiple buildings or other non-standard attributes, it is crucial that applicants provide all of the relevant details of the customer's electrical installation, number of phases the capacity will be spread over, and the proposed location of the micro EG unit.

## Ensure details are up to date with the Clean Energy Council (CEC)

Whenever possible, we will post micro EG unit applications documents to the postal address of the person who lodges the application. If the applicant is a Sales Consultant or Installer, documents will be posted to the address associated with the CEC Accreditation Number entered, so if you are entering this number then please ensure the associated address is correct. If sales consultants would like documents posted to a different address, leave the CEC number blank and enter the address manually.

Assessment thresholds have been revised

We will conduct application assessments received from 1 July 2015 for exporting inverter capacities above:

- 3.5kVA for single and 2 phase premises on the main network.
- 10kVA for a 3 phase inverter on an existing 3 phase premises on the main network.
- 2kVA on SWER networks (*unchanged*).
- 0kVA on isolated networks (*unchanged – all applications will still be assessed*).

**Notes:**

- The Mount Isa-Cloncurry network is a combination of 3 phase and SWER network and is not treated as an isolated network in the context of micro EG unit applications.
- For applications for non-exporting units on the SWER network, Ergon Energy is also raising the maximum capacity allowable without assessment from 5kVA to 10kVA, in recognition of the single phase nature of the SWER networks. Applications for a non-exporting unit above 10kVA on a SWER network, and any application for a non-exporting unit on an isolated network (other than the Mount Isa-Cloncurry supply network) will undergo assessment.
- A small proportion of applications **below the thresholds** may also be assessed if there's a high penetration of existing PV connections sharing the same transformer.
- Any applications received before midnight on Tuesday 30 June will be assessed under the current protocols. In particular, those applications received before the deadline and for greater than 3.5kVA but less than 5kVA won't generally undergo assessment.
- If an inverter capacity is below the threshold and isn't ultimately assessed, that doesn't imply an Ergon Energy guarantee of effective operation. It remains the installer's responsibility to do their testing and be confident the proposed unit will meet customer performance expectations. Similarly, Ergon Energy's assessment, and any subsequent offer, are provided at a point in time and are not a guarantee a unit will operate effectively.
- If an application for a premises was previously downsized or declined, any re-application from 1 July 2015 will be processed under the new rules and assessment thresholds.
- Ergon Energy's *Connection Standard for Small Scale Parallel Inverter Energy Systems up to 30kVA* is unchanged by the NECF requirements.

### Online application form temporarily unavailable

To facilitate the necessary system changes, Ergon Energy's online application form for micro EG units will be deactivated sometime soon after midnight Tuesday 30 June 2015. Unfortunately, we can't accept any online applications received after 11.59pm 30 June 2015 and before the form is deactivated, so they will need to be re-lodged using the new form when it becomes available. A new online application form will be activated as early as possible in the working day on 1 July 2015.

Similarly, any faxed, emailed or posted applications using the current hard copy application form (Version 12) and received after 11.59pm 30 June 2015 also can't be accepted. The new hard copy application form will be available from 1 July on Ergon Energy's [website](#).

## Basic connection

If you apply for a unit with a total inverter capacity below the new thresholds, it will typically qualify for a Basic Connection Service, which means it can be offered on the terms of our Model Standing Offer (MSO). We classify a connection as Basic when the connection of the proposed unit requires minimal or no network augmentation. The specific Basic Connection Services offered by Ergon Energy are set out in the Schedule to the relevant MSO.

An applicant will have the choice at the time of application to 'expedite' the MSO, meaning they can provisionally accept the terms and conditions on behalf of the customer. We will notify the applicant within 10 business days of receiving the completed application as to whether the requested connection service is, or is not, a Basic Connection Service. So, even if the applicant chooses to expedite, the connection may not ultimately qualify as a Basic. Therefore, the installation of the micro EG unit **must not proceed until the applicant receives our confirmation.**

If it is a Basic Connection Service and the applicant does not elect to expedite a Model Standing Offer when given the choice, we will, within 10 business days of receiving the completed application, send the applicant a Model Standing Offer. The offer must be accepted within 45 business days or it will lapse.

## Negotiated connection

A negotiated connection for inverter capacity up to 30kVA applies either:

- When the connection service applied for is not a Basic Connection Service (that is, when there is a defined risk the facilitation of the proposed application requires more than minimal augmentation (extension or upgrade) to our network); or
- When it is a Basic Connection Service but the applicant wants to negotiate the terms and conditions of the contract.

Under this negotiated process, Ergon Energy will make a connection offer within 65 business days of receiving the connection application. The offer must be accepted within 20 business days or it will lapse.

While all applications above the new thresholds will require some level of assessment, our forecasting shows most assessed applications will result in an offer for the desired inverter capacity. The ones that don't will receive a letter describing the options available to them. These options could include a lower capacity inverter, a change to a non-exporting unit, spreading of capacity over multiple phases, or Reactive Power Control. In some cases, a change to a non-exporting unit may be the only option.

As well, a new option will be included in most cases from 1 July that allows the applicant to request an offer for the desired inverter capacity, despite the application failing our assessment. This means we will need to design the necessary network upgrades or other technical interventions, and specify any upgrades required to the customer's electrical installation. The offer may then include a price that covers upgrades to the customer's dedicated network, including the service line, as well as an indication of timeframes.

If the offer is accepted, the customer will be required to arrange and fund an upgrade (if relevant) of the customer's electrical installation, have a Form A lodged, and pay the cost to upgrade the dedicated network (if required under the terms of the offer), before Ergon Energy will upgrade the shared network at its own cost. Ergon Energy also reserves the right to proactively upgrade any part of the network where necessary.

## New fees proposed

While we are permitted to charge application fees for a Basic Connection Service, as well as the other fees associated with the assessment and negotiation process for applications for inverter capacities up to 30kVA, **these fees will not apply at this time.**

## Timeframes

With the implementation of NECF, we have new timeframes for the application and negotiation process for applications for inverter capacities up to 30kVA as follows. Ergon Energy must:

- Advise the applicant within 10 business days of receiving a completed application as to whether it qualifies for a Basic Connection Service or not. If we determine it needs to be assessed, it will not qualify for a Basic Connection Service.
- If needed, request more information within 20 business days from the applicant to inform the assessment, e.g. consumer mains attributes.
- Make a negotiated offer to the applicant within 65 business days of receiving the connection application.
- Allow the applicant up to 20 business days to accept a negotiated offer

### Applicants also have obligations to:

- Respond to Ergon Energy's requests for more information in a timely way. Note, the 65-business-day clock stops until we receive the information we've requested.
- Respond to Ergon Energy's presented options in a timely way, ideally within 20 business days. Sales consultants should liaise with their customers promptly and present as much information as practicable to help their customers decide, then advise Ergon Energy of the customer's desired option promptly. As well, the customer should be kept informed of key milestones in the application process.

## Assessment methodology

Ideally, Ergon Energy would conduct a full technical assessment of all applications up to 30kVA which exceed the thresholds. However, that may not be feasible at all times, and we may filter applications for premises on the main network and for inverter capacities greater than 3.5kVA but less than 5kVA. That filter will define the current penetration level of micro EG units on that particular distribution transformer. If the penetration is above a level defined by Ergon Energy, we will conduct a full assessment.

If the application is for a capacity below the defined level, an offer will be made. So as always, PV installers remain responsible for conducting the necessary testing, measurements and calculations to be confident the desired inverter capacity will operate effectively. Ergon Energy will not be able to define in the offer what level of assessment an application has undergone for inverter capacity over 3.5kVA and under 5kVA on a premises on the main network.

## Reactive Power Control (RPC)

As a reminder, Reactive Power Control of at least 0.9 lagging will be mandatory on all applications over 2 kVA on the main network (and the Mount Isa-Cloncurry network, but not SWER or Isolated networks) from **Wednesday 30 September 2015.**

From 1 July 2015, including RPC on your applications over 3.5kVA on the main network could assist the application in passing assessment without further negotiation and delays.