

Customer Principles for DER Management

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- **Access:** As much as possible, customers have fair and equal access to the network
- **Choice:** Customers can continue to connect and get value from DER,
- **Cost-reflectivity:** Where customers' use of their DER creates net costs to the network, they should pay their share of those costs – and by paying they should be able to continue this DER use. At the same time, where their DER use reduces costs in the network, they should be rewarded for those benefits. Where both costs and benefits to the system exist, only the net cost or benefit should be passed on to the customer.
- **Materiality:** When assessing the costs of managing DER and how they should be allocated to customers, the materiality of these costs must be determined – considering transaction costs, simplicity, practicality, and the extent to which costs are offset by corresponding benefits. Only material (i.e., substantial) costs (or benefits) should be passed on
- **Additionality:** Where a network cost partially attributable to DER is also caused by other network activity or dynamics – or where a proposed solution to a network problem caused by DER also addresses other network issues – the costs imposed on DER customers should be proportional to the extent of the problem caused by DER, or the extent of the mitigation that directly applies to DER.
- **Simplicity:** Where there is a choice of responses to better allocate a cost or mitigate an adverse impact of DER and their feasibility, efficacy and consumer impact are otherwise similar, the cheapest and simplest measure should be chosen.
- **Transparency:** Customers installing new DER should have enough information at hand to consider the impacts of any direct costs (such as network charges) and indirect costs (such as export limits or anything else that reduces generation or exports) when determining the value proposition of their DER investment.
- **Certainty:** Customers with existing DER should not have the value of their investment materially reduced by changes to policies and practices impacting its capacity to produce or export energy without being adequately compensated or given an opportunity to recover value.
- **Value:** Solutions should deliver the greatest net outcome for all customers, not just those with DER. (This should also consider the additional benefits of a solution, which may not be directly attributed to resolving the export management challenge (for example, dynamic DER management may increase visibility and thus enable publication of clear information on network limits and opportunities for network services value streams).
- **Optionality:** Solutions should have regard to potential future customer choices, technology and market framework uncertainty