

Energy Innovation Toolkit

Year in review

2022–23



Energy Innovation Toolkit

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Inquiries about this publication should be addressed to:

Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001
Tel: 1300 585 165
Email: AERInquiry@aer.gov.au



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Executive summary

Innovative technologies, services and products are changing our energy landscape. However, it is not always straightforward to understand how new business models fit into Australia's current energy frameworks. In some cases, current frameworks may even pose a barrier and may need to be adjusted to allow innovative business models to proceed.

In response to these challenges, the Australian Energy Regulator (AER) developed regulatory sandboxing, a mechanism to make it easier for innovators to launch their energy ideas and test new business models in a real-world environment. Over the course of 2020–21 the AER consulted with industry, start-ups, community groups, consumer representatives, Australian Government sandboxes and international energy sandboxes to understand what a great sandboxing function looks like and what our users want to see.

On 11 August 2022, the AER and our project partners (the Australian Energy Market Commission, the Australian Energy Market Operator, the Australian Renewable Energy Agency and the Essential Services Commission, Victoria) launched the Energy Innovation Toolkit, an Australian Government funded service. Our initial launch gave innovators access to what we heard they needed most to get their ideas off the ground – instant answers on energy regulation delivered through our web content and Regulation Navigator Tool, as well as access to free, customised feedback on business models provided through the Innovation Enquiry Service.

The Innovation Enquiry Service provides guidance to help innovators understand how to launch under current rules and laws. We are proud to share that, as of 11 August 2023, we have helped a combined 491 users through our Regulation Navigator Tool and Innovation Enquiry Service. We have also held 55 meetings with Innovative Enquiry Service users, explaining how energy regulation works and walking our users through our written guidance. This engagement was crucial in helping users understand how frameworks apply so they can launch under current rules.

On 22 December 2022, legislation was enacted to allow the AER and the Australian Energy Market Commission to issue trial waivers and trial rule changes. The trial waiver function is administered by the AER and enables us to temporarily disapply specific energy rules to facilitate new innovative trials while protecting consumer interests. While the Innovation Enquiry Service helps unlock innovation possible under current frameworks, trials deliver real-world evidence to accelerate rule changes and make sure energy regulation can adapt quickly to meet the needs of new technologies and services. Since legislation passed, we have been approached by 6 proponents to discuss potential trials. On 11 August we granted our first trial, testing a mechanism to accelerate smart meter rollouts and facilitate load control in specific geographic areas, as proposed by Endeavour Energy. We know our users are keenly interested in the outcomes of trials and we are excited to publish trial learnings, as well as to announce in future other innovative trials we are considering.



Energy Innovation Toolkit

A core goal of the Toolkit is knowledge sharing, both with industry and policymakers. We launched our website stocked with articles, explainers and tools geared towards common queries, and over the past year we have published 10 new pieces of guidance targeted to regulatory hot spots and most-asked questions we have received. While developing the Energy Innovation Toolkit, the AER and project partners heard from innovators through live consultation workshops and submissions to the issues paper. Extensive user testing was undertaken to ensure that the website was accessible and fit for purpose. In the lead up to launch, the Energy Innovation Toolkit worked with prototype users to provide guidance on real business models, refining our service model to reflect the feedback generated from this testing.

We have analysed the trends and issues that have emerged through our work and have engaged with market bodies and decision-makers to ensure these insights inform policy direction. For example, this included identifying policy challenges with 'islandable' microgrids – microgrids capable of temporary disconnection from the main grid during emergency events, an area of considerable community interest. We have also engaged extensively with industry, energy stakeholders and the broader community – since August 2022 we have delivered 11 presentations to promote our service, share learnings and make sure our assistance reaches a wide range of innovators.

All of our tools serve the same goal: fostering innovation in Australia's energy markets. To access our services, share feedback or learn more about what we do, [visit our website](#) or [get in touch](#). We are committed to listening and we are here to help.

My client was very happy with the scoping document which was developed in no small part using feedback from the EIT team. The team's guidance helped my client in scoping strategic direction, vision and optionality in the early stages of planning – they were pleased and enlightened. The EIT team were great to deal with.

- **Innovation Enquiry Service user (consultant)**



About the Toolkit

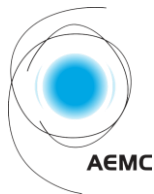
The Energy Innovation Toolkit is a free service designed to help innovators navigate complex energy regulation while providing a framework to trial new products and services. The Toolkit aims to assist market entrants and industry veterans alike by offering instant information, targeted guidance and a supportive foundation to facilitate the development of new ideas.

Energy Innovation Toolkit project partners



Australian Energy Regulator

The AER regulates electricity networks and covered gas pipelines in all jurisdictions except Western Australia. The AER administers the Energy Innovation Toolkit and issues and monitors trial waivers.



Australian Energy Market Commission

The AEMC manages the rule change process and makes and amends the National Electricity Rules, National Gas Rules and National Energy Retail Rules. It is the body responsible for assessing trial rule change requests and making trial rules.



Essential Services Commission

In Victoria, the Essential Services Commission has responsibility for licensing and licence exemptions in the electricity and gas markets. The Essential Services Commission assesses and issues trial waivers for Victorian projects and provides advice to the AER on Victorian enquiries.



Australian Energy Market Operator

AEMO manages electricity and gas systems and markets across Australia, helping to ensure Australians have access to affordable, secure and reliable energy. The AER consults with AEMO on system and market impacts.



Australian Renewable Energy Agency

ARENA supports the global transition to net zero emissions by accelerating the pace of pre-commercial innovation to the benefit of Australian consumers, businesses and workers. ARENA provides advice and directs innovators to the Energy Innovation Toolkit.

What is a regulatory sandbox?

A regulatory sandbox is a mechanism designed to help facilitate trials of innovative concepts in Australia's electricity and gas markets by offering informal guidance or temporary relief from specific regulatory requirements. Regulatory sandbox trials provide a structured framework supporting the testing of innovative technologies and business models in a real-world environment while still protecting consumers.



Our services

The Energy Innovation Toolkit empowers innovators by helping them understand the energy regulation framework and enabling real-world testing of innovative ideas.

Innovators can access support for projects and ideas in different ways, depending on their energy knowledge, the ultimate goals of the idea and what stage their project has reached. An innovator considering a new idea might try our Regulation Navigator Tool on the Energy Innovation Toolkit website to find out the kinds of regulations to be considered when fleshing out a concept. A project manager considering feasibility could submit an enquiry to our Innovation Enquiry Service with any questions or concerns. A start-up looking to test an idea may find a trial waiver or trial rule change is required to temporarily manage regulatory barriers.

Sandboxing trials

- Time-limited relief from regulatory requirements to navigate barriers to innovative ideas.
- Real-world testing with consumer and network protections in place.
- Inform regulation review and policy change through learnings and outcomes.

Innovation Enquiry Service

- Informal, staff-level guidance to empower innovators.
- Fast, frank and tailored feedback on how an idea may function under current frameworks.
- Access to subject matter experts across project partners.

Resources and tools

- Knowledge sharing from outcomes of trials and enquires.
- Understandable industry updates, use cases and real-life case studies, and regulatory explainer on hot topics.
- Instant advice from the Regulation Navigator Tool.

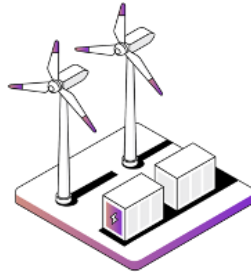


Year on a page



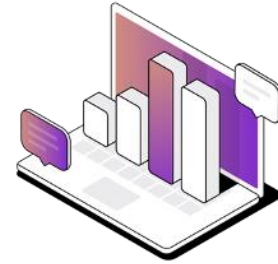
40

Innovation Enquiry Service enquiries



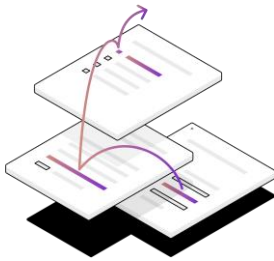
6

Pre-trial and trial proponents



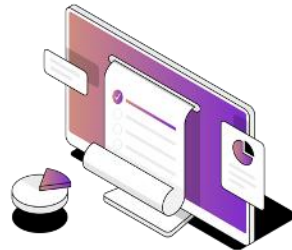
7,700+

Unique website visitors



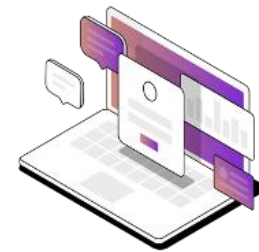
451

Regulation Navigator Tool submissions



64

Total meetings with innovators



11

Engagement events

46 total enquiries

To see how we can help innovators, visit our website energyinnovationtoolkit.gov.au

Hot topics

The most common topics we saw in enquiries this year were:

1. **Batteries:** energy storage is becoming a more viable option for many innovators.
2. **Solar generation:** often combined with batteries for reliable and renewable energy.
3. **Alternative energy:** whether virtual power plants, microgrids or personal generation, innovators want to see solutions close to home.

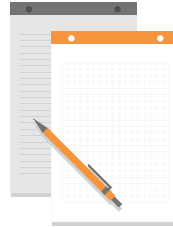


Innovation Enquiry Service



40

Innovation Enquiry Service enquiries



55

Meetings with Enquiry Service users



13

Cross-agency responses

More than 4,000 pages of laws, rules, regulations and guidelines make up Australia's national energy regulation framework. Between researching regulatory requirements, understanding the function of sector stakeholders and fulfilling the obligations of industry participation, entering the energy industry can feel like a monumental task.

The Innovation Enquiry Service offers customised guidance on innovative ideas through direct engagement with the Energy Innovation Toolkit team. We have learnt that innovators want fast, frank feedback and conversations with someone who can answer questions and provide clarification.

This year, we saw 40 Innovation Enquiry Service enquiries through the secure portal, emails and contact forms. While developing responses, we met with innovators 55 times to gain more information, clarify guidance or discuss questions to ensure targeted and straightforward feedback.

Key insights

1. Most innovative ideas and business models are enabled under current regulation – no trial waiver required.
2. Community interest in energy is very high, with control over generation and supply resilience areas of serious interest.
3. Innovators benefit from multiple information channels and mediums, including meetings, detailed guidance and visual aids.
4. Innovators are unsure whether barriers exist within regulation or within the inherent nature of the energy system.
5. Inaccessibility of information is a serious concern for proponents new to the energy industry and innovation space.



When a proponent submits an enquiry through the online portal, our team considers the complexity and topic of the enquiry to determine the best manner of handling the request. Responses are developed depending on the complexity of the enquiry.

Some questions are best responded to with informative phone calls or emails, while detailed or iterative topics may involve multiple meetings and longer explanatory reports.

The overarching goal of the Innovation Enquiry Service is to provide understandable, accessible and relevant information to support innovators in realising new ideas. Our guidance requires collaboration with our subject matter experts within the AER and across our project partners. This vast knowledge network offers proponents resources from multiple organisations and facilitates collaboration across the industry.

Enquiry trends

14 enquiries involved energy storage, like batteries, for community use, energy supply resilience or as a commercial offering

13 innovators were looking to start or expand their business with an innovative idea

9 enquirers were looking to understand how to combine different energy functions to create a microgrid, virtual power plant, embedded network or individual power system

13 enquiries came from innovators with low or no regulatory expertise

The Energy Innovation Toolkit is designed to be accessible to anyone – and it has been. Over half of the submissions to the Innovation Enquiry Service have come from innovators outside of the energy sector. A key benefit of the Energy Innovation Toolkit is the ability to offer guidance and assistance to innovators without access to these resources, and to reach businesses, individuals and groups not usually engaged with a regulator.

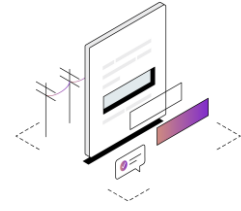
When to reach out

At any time – innovators with questions or concerns about a project, concept or business practice, or anyone with a question about the energy regulation framework can receive help from the Energy Innovation Toolkit. The team can assist throughout a project, through informal chats, Innovation Enquiry Service responses, referrals within the energy industry or, if required, a sandboxing trial.

It's never too early to reach out.



Sandboxing trials



1

Trial waiver granted



6

Consultation submissions



9

Pre-trial discussions

The aim of the Energy Innovation Toolkit is to ensure that our regulatory frameworks remain fit for purpose and able to support the evolving energy sector. To help achieve this, our Energy Innovation Toolkit includes the power to issue trial waivers, trial rule changes and Victorian trial waivers. These allow for proof-of-concept trials to be undertaken to test innovative ideas and business proposals to assess how they work in the real world, while protecting competition and consumer interest.

Since the introduction of trials in late January 2023, 9 innovators have approached the Toolkit expressing interest in exploring a trial. On 11 August 2023, exactly one year after the Energy Innovation Toolkit was launched, the AER granted the first trial waiver to Endeavour Energy.

Do I need a trial?

Sandboxing trials are a function designed to offer temporary regulatory relief to test an innovative idea or business model. Trials are appropriate in a situation where there is a genuine regulatory barrier impeding the testing of a concept. Trials are intended to be a 'light touch', providing relief from only those requirements creating a barrier to testing an idea and only for the time it takes to assess the outcomes and share learnings.

In many cases, an innovative idea already fits under the framework – this is something we can help establish through the Innovation Enquiry Service. If it does not, the consideration of a trial and, if appropriate, what kind of trial, can begin.

The AER is the agency responsible for the trial waiver power, which allows the AER to grant an innovator an exemption from having to comply with specific requirements in all National Electricity Market jurisdictions.



The Australian Energy Market Commission may grant trial rule changes, temporarily amending existing rules or introducing a new rule. Trial rule changes can apply to a class of applicant, meaning testing of a concept is not limited to a single applicant.

As Victoria has its own energy regulations, the Essential Services Commission is also able to issue trial waivers from Victoria-specific requirements. The Essential Services Commission considers these applications and can allow these to operate alongside licences and licence exemptions as a distinct authorisation category in Victoria's energy market. Depending on the trial, a waiver from both the Essential Services Commission and the AER may be required.

Trial assessment

The Energy Innovation Toolkit encourages transparency in trial assessments by assessing all trials against the [Trial Project Guidelines](#). If a proposed trial meets the minimum criteria required for consideration, assessment includes a minimum 4-week period of public consultation, extensive discussions with project partners and public hosting of all proposed and current trials online. The AER Board considers all eligible trial proposals and the final decision for all eligible trials is published on our website.

If a trial waiver is granted, the trial proponent is required to meet reporting obligations as well as any other conditions required under the waiver. Reports are used to assess the success of the trial, to share the findings and learnings of the trial with industry and stakeholders and contribute to policy review and rule change proposals.

The Trial Project Guidelines list 2 sets of criteria a trial must be assessed against – eligibility requirements, which must be met for a trial to be eligible for consideration, and the innovative trial principles. An innovative trial project is not required to fulfil all of the innovative trial principles. The AER takes a holistic approach to assessing trials, with a focus on consumer protections and benefits as well as the security of the energy market.

A key consideration when assessing a trial application is whether a successful trial would deliver increased consumer benefits while ensuring that consumers are no worse off than they would be without a trial. The AER works to identify all potential risks and implements trial conditions and expectations to minimise any impacts of the trial.

The AER staff I spoke to were great. Very knowledgeable, asked excellent direct questions that helped me see how what I'm proposing might proceed.

- Innovation Enquiry Service user (innovator)



Endeavour Energy trial

The Australian Energy Regulator (AER) has granted its first trial waiver through the Energy Innovation Toolkit to upgrade around 5,600 smart meters in parts of Greater Western Sydney, the Blue Mountains, the Southern Highlands and the Illawarra region of NSW.

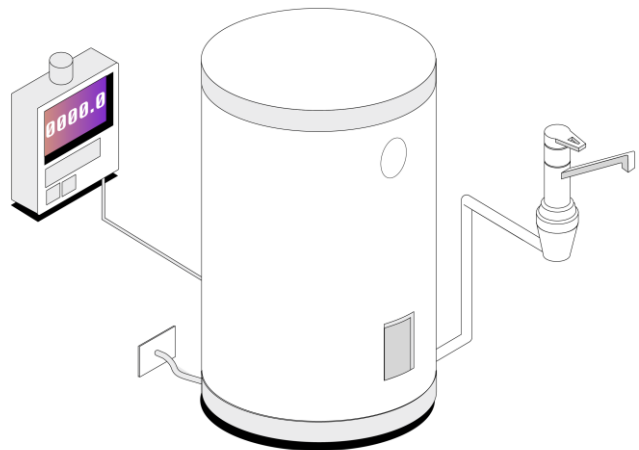
Endeavour Energy has been granted the waiver to implement a trial that is expected to improve the delivery of load management services that reduce electricity consumption at peak periods and lower electricity network costs for consumers.

The trial should also enable trial participants to access new and innovative energy services. The rollout of smart meter upgrades presents significant benefits for both consumers and industry. In addition, the trial can help consumers reduce their electricity bills through access to new products and tariffs, better integrated technology and improved understanding of their energy use.

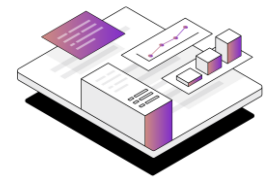
The trial was approved under the AER's regulatory sandboxing powers allowing a time-limited waiver from certain regulatory requirements through the Energy Innovation Toolkit, and is subject to a range of conditions including consumer protection measures, reporting requirements and other obligations.

Lessons learnt from Endeavour Energy's trial will inform longer-term, necessary transitions and help other jurisdictions to accelerate the roll-out of smart meters. The trial will last for 30 months and the learnings will be shared publicly at the conclusion of the trial in 2025.

For more information about the trial, please see our Endeavour Energy [trial overview](#) and [consumer information](#) pages.



Knowledge sharing



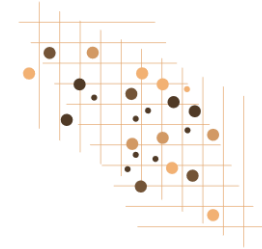
451

Regulation Navigator Tool submissions



8

Knowledge sharing articles



11

Engagement events and presentations

Our website

The Energy Innovation Toolkit website launched on 11 August 2022, alongside the Regulation Navigator Tool and the Innovation Enquiry Service. The website serves as a hub for information and resources catering to diverse audiences looking to bring their innovative ideas to life. In its first year the Energy Innovation Toolkit website experienced significant growth and engagement. With its user-friendly design and valuable content, the website welcomed more than 7,700 unique users throughout the year. We look forward to continued engagement over the coming years.

Users explored the website's educational resources, including articles, case studies and the Regulation Navigator Tool, and used the Energy Innovation Toolkit portal to submit queries and trial waiver applications. Website content is updated periodically to provide insightful knowledge sharing articles, case studies and details of current and proposed trials. In addition, the website outlines the trial waiver eligibility requirements and application process for those looking to progress their innovative energy projects.

Top website pages 2022–23

1. We saw the heaviest traffic to our [Trials](#) webpage, which reflects a high level of interest in our trials function and, in particular, in our upcoming trial with Endeavour Energy.
2. Our second most visited page was our [Regulation Navigator Tool](#), an interactive function offering instant, customised feedback on market requirements and jurisdictional licensing requirements that might apply to innovator business models.
3. Our most popular use case explores the practical application of a hypothetical [virtual power plant](#), including registration, authorisation and licensing requirements.



Regulation Navigator Tool

Our interactive Regulation Navigator Tool demystifies complex energy regulatory frameworks, enabling users to understand how regulation may apply to their project. After users input their project parameters, the Regulation Navigator provides an instant, high-level summary of the licensing, registration and authorisation requirements that may apply to the project. In addition, the Regulation Navigator provides links to the relevant market bodies and websites where users can find more information about regulatory requirements. The Regulation Navigator covers electricity services in the National Electricity Market (NEM) and the Northern Territory, and natural gas services in the NEM.

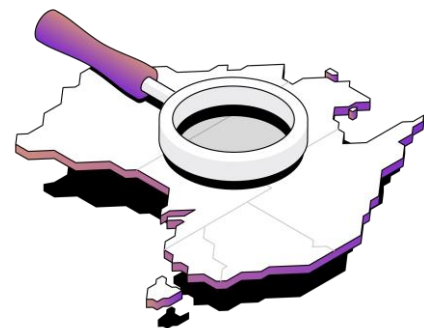
Since the launch of our website on 11 August 2022, the Regulation Navigator Tool has provided instant feedback and regulatory guidance 451 times. Proponents find the Regulation Navigator Tool useful to inform Innovation Enquiry Service enquiries, and many find the response provided by the Tool to be the exact information they need.

The Tool also provides us with de-identified answer sets, information we can use to understand trends and gain insights into the current energy innovation landscape. We consider this data alongside other information we receive through the Energy Innovation Toolkit and use this to guide the development of the service.

Trend – small generation and storage

A significant majority of the submissions to the tool (79%) involved equipment that generates electricity. Almost half of those submissions involved generators with a capacity of less than 5 megawatts. This focus on small generation and storage is an interesting trend and may correlate with increased financial accessibility to solar panels and batteries.

This is reflected in submissions we have received through our Innovation Enquiry Service. One-third of all submissions to the Service involved solar generation, batteries or a combination of both. This encourages us to focus on this aspect of the industry and market in our educational materials and monitor the policy related to not just renewable generation and storage as products, but broader projects like microgrids and virtual power plants.



Trend – selling energy

Over half of submissions to the Tool involved the retail sale of energy to consumers. This is a complex topic, so we developed a regulatory explainer for the Energy Innovation Toolkit website on the basic requirements to become a retailer. Offering this information in an accessible and beginner-friendly format empowers innovators to understand their circumstances and confirm their research, while providing a base that can be used to develop questions to the Innovation Enquiry Service.

The sale of energy and energy services in the NEM is also a popular topic. We see significant interest in wholesale demand response services (51%) and frequency control ancillary services (56%). These services can be performed as a sole function but are often packaged with other energy-related activities. Where complex ideas intersect, we can assist in navigating regulatory requirements through our Innovation Enquiry Service.



Articles and explainers

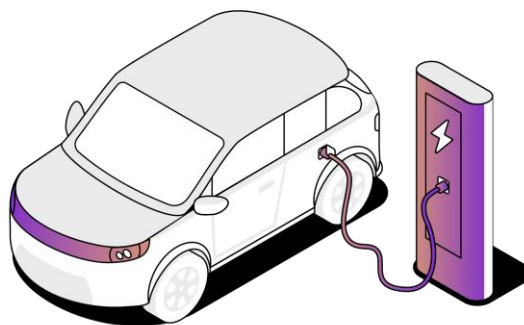
A key focus of the Energy Innovation Toolkit is translating what we learn into easy-to-understand articles and regulatory explainers. We share guidance on popular topics and publish articles like case studies, industry updates and hypothetical use cases. We also publish regulatory explainers to respond to common questions we receive through our Innovation Enquiry Service.

In our first year, we developed the following regulatory explainers, hypothetical use cases, case studies and articles responding to changes in the market and trends identified through the service.

Hypothetical use cases and case studies

Case studies offer an overview of a real project enquiry, while use cases explore the application of a popular concept to a hypothetical scenario. The Energy Innovation Toolkit website features:

- A hypothetical case study featuring the deployment [virtual power plant](#) software, designed to connect distributed energy resources (like batteries and solar panels) into a network
- An exploration of a theoretical business model offering [electric vehicle fleet charging services](#) to business looking to transition car fleets to electric.
- The process that may be undertaken by a community group wanted to install and operate a shared [community battery](#) in a regional location.
- A scenario for [establishing a microgrid](#) as a stand-alone power system in Far-North Queensland.
- A case study considering the novel concept of an ['islandable microgrid'](#) in the town of Cobargo, New South Wales.



Regulatory explainers and industry updates

Regulatory explainers offer guidance on popular or misunderstood topics, and industry updates explain rule changes in an accessible way. These education materials are developed based on popular topics raised in enquiries and through engagements with innovators:

- An introduction to [selling energy](#), including how retailer authorisations and exemptions work in the retail market and limitations to local energy distribution.
- The function of a [virtual power plant](#) and how they fit into the energy market
- How network tariffs are regulated, the purpose of network [tariff trials](#) and how to propose a tariff trial.
- An update on a [rule change](#) that impacts market ancillary services and Small Generation Aggregators.
- How and why an innovator or business might connect a [battery energy storage system](#) to the National Electricity Market.

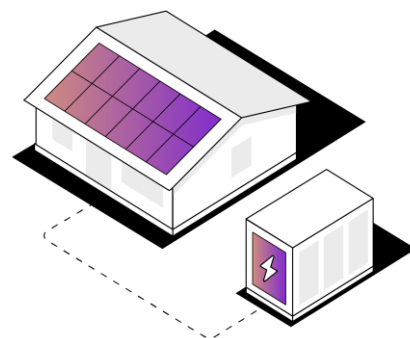


Upcoming articles and explainers

Keep an eye on the Energy Innovation Toolkit website – these articles and explainers will be available on our knowledge sharing pages soon:

- A back-to-basics overview of stand-alone power systems
- A run-down of the new Integrated Resource Provider registration category, which will become available to market participants in June 2024.

Prospective innovators are encouraged to reach out or submit an enquiry through the secure website portal to receive staff-level guidance around how the current energy frameworks may relate to their project.



To be informed of new articles, industry updates and learnings from trials, subscribe to the Energy Innovation Toolkit newsletter [here](#).

As one of the first users of the service, we appreciated the engagement, regular communication and focus on user experience, especially in terms of encouragement from the team to ask more questions. The team was engaged and understood that projects and questions evolve, and a highlight was knowing we could expand our scope and learn more through follow-up queries.

- **Innovation Enquiry Service user (consultant)**



Community and industry engagement

Reaching out to industry, communities, small businesses, start-ups and individual innovators is a crucial part of the work the Energy Innovation Toolkit undertakes – after all, we cannot help innovators if they don't know the service exists.

The Energy Innovation Toolkit has engaged extensively to reach innovators and the energy sector through different forums, with 11 presentations to stakeholder groups and forums since launch.

In addition to face-to-face engagement, the Energy Innovation Toolkit has been promoted online to build awareness of the services and reach people we can help. In late 2022 and early 2023, we undertook a series of social media campaigns, including collaborating with our project partners to promote the service and targeting innovators through publicising the Toolkit and available resources on LinkedIn and AdWords.

After the launch of the website, we hosted informal meetings with stakeholders across the energy sector to discuss the Toolkit and how it helps innovators of all levels of expertise.

In late 2022, we attended the All-Energy Australia 2022 Conference where the team engaged with conference attendees about our service. This was followed by presentations to the Queensland Farmers' Federation and the Victorian Greenhouse Alliance. 2022 concluded with a final presentation to the New South Wales Energy and Resources Knowledge hub on the Energy Innovation Toolkit team's experience on setting up a sandbox.

2023 brought the first opportunities to present on an international stage. We met with the Israeli Electricity Authority to share learnings about implementing a regulatory sandbox in the energy space, presented at a webinar hosted by the Florence School of Regulation and shared learnings in the International Smart Grid Action Network Sandbox Community of Practice.

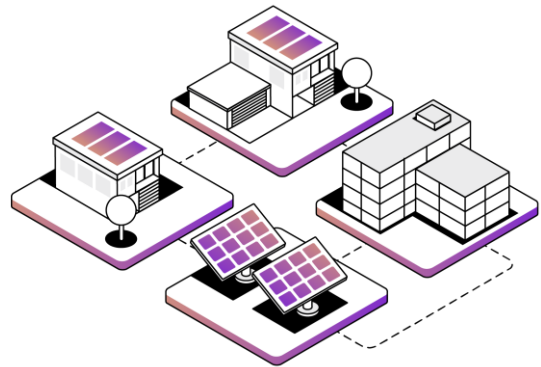
We also presented to a Community Energy Transformers Event, organised by the Centre for New Energy Technologies, which brought together industry, government and community groups to engage more closely on the current and future energy needs of regional communities. The Energy Innovation Toolkit team, in conjunction with the Essential Services Commission in Victoria, ran a workshop on the services available for innovators in the energy sector.

Discussing the Energy Innovation Toolkit's services, improving industry-wide education and aiding newcomers to the energy sector are all vital to connecting with innovators who could benefit from free, fast guidance and regulatory relief.



Informing future policy direction

The Energy Innovation Toolkit offers market bodies a unique opportunity to see and understand changes in consumer needs and advances in technology. A key aspect of the service is understanding barriers and insights gained from direct interaction with real-world innovators, and making sure this knowledge reaches policymakers, so they are ready to foster innovation on a larger scale. This requires collaboration, not just between the project partners of the Toolkit, but across the nation, from consumers and individual innovators to all levels of government, academia and businesses across different industries.



The trends and reporting from all services under the Energy Innovation Toolkit generate discussions around concerns and obstacles to innovative, and beneficial ideas, and offer market bodies data to support regulatory reviews and process changes.

One policy challenge currently under consideration across the industry is the concept of an ‘islandable’ microgrid. While this concept is not a defined term in legislation, it is the idea of a microgrid that can be isolated and operated independently of the interconnected electricity system when required, like an island, but retains connection with the grid and interfaces with the wholesale electricity market.

Community interest in this concept is high for its potential to boost reliability and improve resilience of energy supply in disaster events, like large-scale flooding or bushfires. While there is a clear framework for power systems that are not connected to the National Electricity Market, intermittent disconnection of a microgrid like this represents a more hybrid approach, one which raises policy and regulatory challenges.

It is important to ensure that the best outcomes are achieved when considering policy change like this, for consumers, market competition and the network in terms of reliability, safety and price. Ongoing engagement with industry, communities and market bodies is underway to develop a collaborative approach to this issue.

The Energy Innovation Toolkit website hosts a [case study](#) for an islandable microgrid proposed in the town of Cobargo, New South Wales, explaining some of the challenges, barriers and benefits of this novel concept in a real-world scenario. [Subscribe to our website](#) for updates on our work in this space.



What's next?

The Energy Innovation Toolkit's first year has been a period of progress and learning. We are committed to applying what we've discovered to improve our services and make sure that what we deliver best meets the challenges of the energy transition.

We have learned that the majority of potential trials and innovative business models we encounter are in fact feasible under current frameworks. The most significant barrier to innovation is posed by a lack of clarity around what is and isn't possible. In response, we anticipate that over 2023–24 we will focus more on engaging with market bodies and our subject matter experts to develop easy-to-understand web content so the regulatory solutions we generate are shared with the entire market.

We have also learned that there is keen public interest in outcomes and learnings from our trials. Over the next year we expect to announce and progress additional trials currently under consideration, as well as moving into a phase of monitoring and reporting on trial outcomes and delivering analysis of what these outcomes mean to industry and government.

We will continue to engage with energy stakeholders and the community and will promote our services to make sure our assistance reaches a wide range of innovators, start-ups and smaller players. We will remain in close dialogue with international energy sandboxes to ensure we are sharing and applying global best practice, and we will continue working closely with networks to help them leverage the Toolkit to address challenges in their zones.

As our sandbox continues to learn from the market, over the next year we will accumulate more real-world data on emerging trends and hot spots for potential reform. We will make sure that we keep sharing what we learn with market bodies and policymakers in order to foster collaborative action on issues including islandable microgrids, community control over generation and supply resilience.

Most of all, we will remain committed to listening to our users. User feedback is integral to the design of the Energy Innovation Toolkit, and we will keep those channels open, so we can hear and implement improvements our users want to see.

If you are interested in sharing your thoughts, learning more about the Energy Innovation Toolkit, discussing a potential trial or understanding how the regulatory framework may apply to your project, use the contact form on our website or email regulatorysandbox@aer.gov.au.

“The AER delivered a high-quality document addressing all our requirements in an easy-to-understand manner. The stakeholder engagement to identify the issue and the required outcome was excellent.”

- **Innovation Enquiry Service user (City Council)**

