Part of Energy Queensland

Rule change request

Amendments to the HV CT/VT meter framework

2 June 2025

Contents

1. Background

In the National Electricity Market (NEM), competition in metering services was historically restricted (in a practical sense) to medium and large sized consumers who used interval metering. Unless a retailer accepted an offer from the local distribution network service provider (DNSP) to undertake these responsibilities, the retailer was responsible for the provision of metering installation and data services, which was achieved by subcontracting these services to an accredited third-party provider.[1]

On 23 October 2007, the AEMC wrote to the former Ministerial Council on Energy (MCE) advising of its intention to investigate the potential for amendments to the National Electricity Rules (NER) to better facilitate demand-side participation (DSP) in the NEM. In its function as the rule maker for the NEM, the AEMC identified a range of issues relating to the effective demand side participation in the electricity market, among other things. In that context, the AEMC conducted a review of DSP in the NEM over three stages of work.[2]

The AEMC published its final report for the Power of Choice (PoC) review (formerly Stage 3 DSP review) in November 2012.[3] The final report identified opportunities for consumers to make more informed choices about the way they use electricity, and identified improvements to market conditions and additional incentives needed to maximise consumer opportunities to participate in demand side response.

To support these opportunities, the AEMC recommended introducing a framework in the NER to provide increased competition in metering and data services for residential and small business customers. In recommending a new framework, the AEMC noted it had consideration of the original NEM principles for metering, including:

- minimise risk to market participants – the metering arrangements must consider the potential risks to market participants and consumers and allow the market to develop mechanisms to mitigate these risks; and
- avoid meter churn unless a customer wishes to upgrade their meter.[4]

Following the outcomes of the PoC review, the then Standing Council on Energy Resources (SCER) submitted a rule change request to implement the framework recommended as part of the PoC review.[5] Following the SCER rule change request and numerous rounds of consultation, the AEMC released a final more preferable rule on 26 November 2015.[6] The final rule introduced contestability in the provision of metering services by introducing a new Registered Participant, the Metering Coordinator (MC). This had the effect of removing metering responsibilities from the Responsible Person.

For small customers, the framework transferred responsibilities previously held by the local distribution network service provider or retailer, including the responsibility for meter testing, to a

[1] SCER. (2013). *Introducing a new framework in the National Electricity Rules that provides for increased competition in metering related services.* Available here: ERC0169-SCER-rule-change-request.pdf

[2] AEMC. (2011). *Power of Choice – Stage 3 DSP Review.* Available here: Power of Choice- Stage 3 DSP Review | AEMC

[3] AEMC. (2012). *Final Report: Power of choice review – giving consumers options in the way the use electricity.* Available here: Final-report.pdf

[4] Ibid.

[5] SCER. (2013). *Introducing a new framework in the National Electricity Rules that provides for increased competition in metering related services.* Available here: ERC0169-SCER-rule-change-request.pdf

[6] AEMC. (2015). *National Electricity Amendment & National Energy Retail Amendment (Expanding competition in metering and related services) Rule 2015.* Available here: Final-rule-determination-for-publication.pdf.

new party – the MC. As large customers were not a focus of the metering reforms, the introduction of the new framework mostly left the arrangements for large customers unchanged.

2. Statement of issue

2.1 Current Rules

A large customer is defined in the National Energy Retail Law (NERL) as a business customer who consumes energy at business premises at or above the upper consumption threshold.[7] The NERL definition applies in participating jurisdictions where the NERL applies, unless jurisdictional electricity legislation applies a separate definition. The NERL defines the upper consumption threshold for large customers as 100 MWh per annum.[8]

Due to the electricity consumption requirements of large customers, their metering installation often includes an instrument transformer to transform high voltage and current levels to appropriate lower standardised values for protection, system monitoring, and metering purposes.

A metering installation is defined in the NER as comprising the assembly of components, including measurement elements, recording and display equipment as well as any communication interfaces, instrument transformers or processes required to collect energy data for a metering point.[9] Instrument transformers are further defined in the NER as either a current transformer (CT) or a voltage transformer (VT).[10]

Clauses 7.3.2(e)(1) and (2) of the NER specify the role of the MC with respect to a connection point:

7.3.2 Role of the Metering Coordinator

(e) The *Metering Coordinator* at a *connection point* (other than a *connection point* with a type 7 *metering installation*) must:

(1) ensure that the *metering installation* is provided, installed and maintained in accordance with the *Rules* and procedures authorised under the *Rules*;

(2) ensure that the components, accuracy and testing of the *metering installation* complies with the requirements of the *Rules* and the procedures authorised under the *Rules*.

Clause 7.3.2(e) is classified as a Tier 1 Civil Penalty Provision.[11] The associated civil penalty for an MC breaching this obligation is up to $10,000,000 (for a body corporate).[12]

NER clauses 7.9.1(a) and Schedule 7.6.1(c)(1) and (2) further outline the inspection and testing requirements with which the MC must ensure the metering installation complies:

7.9.1 Responsibility for testing

(a) A person who arranges or carries out testing of a *metering installation* under this clause 7.9.1 must do so in accordance with:

(1) this clause 7.9.1; and

(2) the relevant inspection and testing requirement set out in Schedule 7.6.

[7] Section 5(3), NERL.
[8] Clause 7(2) of the National Energy Retail Regulations.
[9] Chapter 10, NER.
[10] Ibid.
[11] Schedule 1, Part 1 of the National Electricity (South Australia) Regulations.
[12] Section 2AB(1)(c) of the National Electricity (Queensland) Law.

S7.6.1 General

(c) The *Metering Coordinator* (or any other person arranging for testing) must ensure that the testing of the *metering installation* is carried out:

(1) in accordance with clause 7.9.1 and this Schedule 7.6; or

(2) in accordance with an asset management strategy that defines an alternative testing practice (other than time based) determined by the *Metering Coordinator* and approved by *AEMO*…

Table S7.6.1.2 of the NER provides the maximum period between tests with which the MC must comply, unless the Australian Energy Market Operator (AEMO) has approved an asset management strategy which specifies an alternate testing schedule. The CT and VT testing period specified in NER Table S7.6.1.2 is provided in Table 1 below.

Table 1: Maximum period between tests, CT & VT Metering Installation Type, as specified in Table S7.6.1.2 of the NER

Description	Metering Installation Type				
	Type 1	Type 2	Type 3	Type 4 & 4A	Type 5 & 6
CT	10 years	10 years	10 years	10 years	10 years
VT	10 years	10 years	10 years		n/a

2.2 Issues with the current Rules

At the time of preparing this rule change, Yurika Metering (Yurika) and other MCs are facing obstacles to achieving full compliance with HV instrument transformer testing requirements under the NER. Of Yurika's current fleet of HV sites, only a portion of sites hold valid test certificates. Despite Yurika's concerted efforts to organise valid test certificates for these non-compliant sites, there are significant challenges Yurika faces in meeting its compliance obligations, including:

- **MCs lack powers under the NER to require large customers to co-operate with respect to testing obligations** – MCs do not have powers under the NER to require large customers to cooperate with them in organising and conducting testing of HV instrument transformers, nor are there consequences for large customers refusing to cooperate with MCs to undertake testing. Further, the retailer is not obliged to work with the MC in communicating and organising testing with the large customer. In Yurika's experience, while some retailers are co-operative in assisting to communicate with large customers, others are less supportive.
- **Large customers can churn without holding valid test certificates** – The NER allows large customers to churn between MCs without providing a valid test certificate that demonstrates their metering installation is compliant with NER obligations.
- **Refusal of MC appointment is not a sustainable industry solution** – Yurika has pursued contractual avenues to refuse MC nomination in the market where a customer does not hold a valid test certificate. However, this is not a sustainable industry-wide solution as existing MCs of non-compliant customers are unable to terminate their appointment unless a new MC is willing to accept the role. Yurika is therefore stuck with non-compliant customers if an alternate MC is unwilling to inherit the compliance obligation.
- **Non-compliance with testing obligations is a systemic issue** – More than half of the HV sites Yurika inherited following the PoC reforms were non-compliant as local distribution network service providers or retailers who were previously the Responsible Persons for the HV sites could not produce valid test certificates. The Australian Energy Regulator (AER) is aware of these non-compliance issues and the challenges and obstacles Yurika and other MCs face in trying to

organise valid test certificates for HV sites. The history of non-compliance demonstrates the meter testing framework for HV CTs/VTs has never operated as intended.

2.2.1 MCs are reliant on co-operation from large customers

MCs do not have powers under the NER to require large customers to cooperate with the MC in organising and conducting testing of HV instrument transformers. Further, there are no consequences for large customers refusing to cooperate with MCs to undertake testing. The MC also cannot compel the retailer, who may own the relationship with the customer, to ensure the customer is compliant with testing obligations. Some retailers are co-operative in assisting with communicating with large customers, while others less so.

Despite Yurika's best endeavours to communicate and arrange instrument transformer testing with large customers, it is Yurika's experience that customers can be non-cooperative due to the financial and operational burdens associated with testing. Instrument transformer testing can typically cost between $15,000 to $20,000 if conducted during business hours, and upwards of $20,000 if testing is required outside of business hours.

Instrument transformer testing also requires electricity supply to be disconnected at the premises for up to 12 hours. Yurika's large customers operate across a range of industrial and commercial industries. As such, shutting down electricity supply to undertake testing can be operationally disruptive. It is Yurika's experience that, for certain customers, a single day's interruption to electricity supply can have flow-on impacts to operations, with certain plant and equipment unable to recommence full operations until days after testing is completed.

Due to the financial and operational impacts associated with testing, Yurika often experiences lengthy communication timeframes (i.e. 12 to 24 months) with customers as forward planning and Board approval is often required before a quote for testing is accepted and a testing date scheduled. A summary of the typical engagement activities required to achieve successful testing compliance is provided in Table 2 below.

Table 2: Typical timeline of activities required to undertake HV site testing

Month	Activity
27 June 2023	Initial contact with customer.
24 July 2023	Response from customer providing relevant contact details for site manager and requesting information regarding testing.
24 July 2023	Answering customer queries.
24 July 2023	Provide customer scoping form.
21 August 2023	Follow up with customer to seek approval to pass contact details to the Field Service Provider (FSP) to support with scoping.
28 August 2023	Response from customer seeking more information regarding price and outage requirement.
	Answering customer queries.
	FSP forwarding customer queries price and outage requirements.
	Provided FAQs sheet to customer's electrical contractor to support conversations.
13 September 2023	Follow up with customer and electrical contractor.

18 September 2023	Electrical contractor confirms scoping information sent to FSP.
24 October 2023	Follow up FSP for outage date.
21 December 2023	FSP confirms outage set for 01/02/2024.
8 May 2024	Follow up FSP for copy of Test Certificates.
13 May 2024	FSP confirms that one outage was delayed and completed on 22/04/2024 with second outage due 16/06/2024.
27 May 2024	Customer's electrical contractor queries price of testing.
27 May 2024	Contact with customer to explain testing quote.
16 June 2024	Second outage completed.
4 July 2024	All test certificates received.

Customer communications can be further complicated by the MC often not having a direct relationship with the customer. The MC is therefore reliant on the retailer (FRMP) to provide appropriate customer contact details. Due to the periodic nature of testing, it can be a time-consuming exercise for the MC to locate a customer contact who has authority to request testing quotes or authorise plant shutdown. A summary of the typical activities associated with sourcing correct contact details is provided Table 3.

Table 3: Summary of typical activities required to engage with appropriate customer contact

Month	Activity	Estimated time invested (hours)
27/06/2023	Email to initial customer contact unsuccessful (email bounced).	0.3
29/06/2023	Enquired with local FSP for updated contact info	0.5
18/07/2023	FSP unable to provide alternate contact details.	0.3
22/01/2024	Request to retailer for contact information.	0.5
7/02/2024	Response from retailer with updated contact information.	0.3
8/03/2024	Email to new customer contact unsuccessful (no response).	0.5
9/05/2024	Call to new customer contact unsuccessful (phone disconnected).	0.3
18/07/2024	Email to retailer to escalate finding contact information.	0.5
4/11/2024	Updated contact details received and email to new contact sent.	0.5
	Customer contact provided three alternate personnel to contact, with calls unsuccessful. Customer provided fourth personnel to contact.	1
	Email sent to latest customer contact.	0.5
7/11/2024	Follow-up email sent to customer.	0.15
19/11/2024	Communication received from customer and scoping documents provided.	0.3
	Total	5.65

In Yurika's opinion, there should be a degree of shared accountability for instrument transformer testing between MCs and large customers. It is the large customer, or site owner, and not Yurika that owns the instrument transformer in the metering installation. However, MCs bear the regulatory burden of ensuring testing is completed. The large customer should therefore be required to manage the compliance of their own asset, or the asset they are responsible for, in a similar way to how large customers are responsible for ensuring other electrical equipment is maintained in accordance with health and safety standards, but with technical expertise sub-contracted to a third party. As such, a MC's capacity should be as a technical expert to provide assurance the equipment is operating to Australian standards, and MCs should not be responsible for ensuring large customer equipment is compliant with regulatory obligations.

2.2.2 Large customers can churn without holding valid test certificates

When the retailer, or alternatively a large customer, appoints an MC under rule 7.6 of the NER there is no requirement for either party to provide the new MC with valid test certificates verifying the compliance of the connection point with obligations under the NER. This can allow non-compliant customers to churn between MCs as the MC is unaware of the compliance status of the site when inheriting a new customer.

As was the intention of the new metering framework following the PoC reforms, customers should not face financial penalty or obstacles in switching between MCs to ensure the market for metering services remains competitive.[13] However, the absence of appropriate protections and accountability with respect to site compliance potentially allows customers, who have no intention of co-operating with their MC to arrange testing, the ability to cycle between MCs without consequences.

For example, certain customers without valid test certificates have churned away from Yurika and subsequently churned back to Yurika, still without having completed the required instrument transformer testing. This ultimately allows non-compliant instrument transformers to remain untested and creates inefficient costs for MCs as resources are invested not only in determining site compliance with a new customer, but also in attempting to organise compliance where a valid test certificate cannot be produced.

While Yurika is supportive of meter churn as a necessary outcome of efficient market competition in metering services, distortion of regulatory risks between parties and unsustainable commercial opportunism results in inefficient market outcomes and unnecessary costs borne by MCs.

2.2.3 Refusal of MC appointment is not a sustainable industry solution

There is no obligation in the NER that requires a registered MC to accept its appointment as MC within the market. As such, Yurika is pursuing pre-contractual agreements with large customers and retailers which allow Yurika to reserve the right to exercise a refusal of its nomination in the market where a valid test certificate cannot be provided.

Although this avenue works at an individual level to prevent Yurika from inheriting non-compliant customers, it is not a sustainable industry solution to address non-compliance as the existing MC for a non-compliant customer is unable to terminate its appointment without a new MC willing to accept the appointment.

[13] AEMC. (2012). *Final Report: Power of choice review – giving consumers options in the way the use electricity.* Available here: Final-report.pdf

Only the current FRMP or the new MC is able to initiate a Change Request to change the MC for a NMI in MSATS.[14] In completing the Change Request, the new MC/current FRMP is required to nominate the new MC and populate its details in the Change Request. Should Yurika communicate to the FRMP that it wishes to terminate its role as the MC for a non-cooperative customer, this is only possible if an alternate MC is willing to be appointed as MC for that customer. If MCs more broadly look to refuse acceptance of new customers who are unable to provide valid test certificates, the obligation will remain with the currently appointed MC who remains powerless to remedy the non-compliance.

2.2.4 Non-compliance with testing obligations is a systemic issue

Non-compliance with HV CT/VT testing requirements is a legacy issue in the NEM, one which MCs were unaware they would inherit when the PoC reforms commenced in December 2017. At the time the PoC reforms commenced, Yurika undertook an assessment of the compliance status of HV metering installations at all sites it had inherited. The assessment revealed significant non-compliance with instrument transformer testing (HV CT/VT) and accuracy certification. Of the total HV sites Yurika inherited, more than half of these sites were non-compliant with testing obligations, with local distribution network service providers or retailers (who were previously the Responsible Person for the site) being unable to produce valid test certificates.

Due to the level of HV site non-compliance revealed following the PoC reforms, several MCs across the NEM, including Yurika, have been subject to Administrative Undertakings or letters of no action (LONA) with the AER. These Administrative Undertakings or LONAs outline altered testing milestones, that differ from requirements under the NER, with respect to inherited non-compliant sites. MCs are currently attempting to test these sites as a priority to meet the compliance milestones set out in the Administrative Undertakings or LONAs.

Through the Administrative Undertaking, Yurika regularly communicates to the AER the progress of its HV instrument transformer testing efforts and the associated challenges with arranging testing. In recognition of these challenges, in October 2023, the AER provided Yurika with an information sheet to include with customer communications which highlighted the AER's expectation that customers cooperate with MCs to undertake instrument transformer testing. Despite this letter of support from the AER, Yurika still experiences resistance from customers with respect to testing. Yurika believes that participant driven regulatory reforms are therefore required to resolve these longstanding and systemic industry issues with respect to instrument transformer testing.

3. Alternate avenues to increase compliance have had limited success

Yurika has invested considerable resources in striving to achieve full compliance with its HV CT/VT testing obligations in the absence of direct powers under the NER to require large customers to undertake testing. As a result of the initiatives implemented by Yurika, the percentage of non-compliant HV sites included in Yurika's Administrative Undertaking has decreased over the last five years. While the initiatives described below have resulted in some improvements to the level of co-operation from large customers, they do not address the underlying issues with the NER described above.

[14] AEMO. (2024). *MSATS Procedures – Principles and obligations for all connection points.* Available here: *msats-procedures---principles-and-obligations-for-all-connection-points-v60.pdf

3.1 Alternate testing strategy

Yurika has investigated implementing an AEMO approved Meter Asset Management Strategy which defines an alternate testing practice to reduce the burden associated with instrument transformer testing on customers.[15] The alternate testing practice proposed using secondary injection testing as an alternative to the current practice of primary injection testing. Secondary injection testing can be preferrable to primary injection testing as it does not require customers to shut down machinery, therefore limiting potential monetary loss associated with testing. While this strategy could be a viable option for some CTs, not all CTs are able to be tested using secondary injection testing. Further, VTs still require primary injection testing in all instances and an interruption of supply to the customer to ensure testing is carried out safely. Ultimately, Yurika did not pursue this alternate testing strategy due to safety concerns and the limited impact of the strategy on reducing the burden of instrument transformer testing.

3.2 Education and engagement

Yurika has refined its engagement strategy to ensure customers are informed of the obligations on MCs to maintain valid test certificates and the prescribed testing schedule for CT/VT instruments. The AER's HV CT/VT testing fact sheet, which is included in Yurika's initial customer engagement activities, outlines the AER's expectation that customers cooperate with their MC to ensure that required testing time frames are met.[16] Further, to improve efficiency of customer engagement Yurika has undertaken process improvements to increase personalisation of customer communication in the initial stages of customer contact, with automated contact processes implemented in later stages when communicating with customers with overdue testing obligations.

3.3 Expanding testing capabilities

Yurika acknowledges that instrument transformer testing is disruptive to customer operations, and therefore has increased resources and testing capabilities to minimise delays arising from Yurika's availability of resources and testing schedule. As such, since the beginning of the Administrative Undertaking, Yurika has employed four full-time equivalent employees dedicated to managing Yurika's HV CT/VT testing programme and who are focussed on customer engagement and in-field testing activities. Yurika has also reallocated internal resources from other teams to the HV CT/VT testing programme and has purchased an additional Test Standard and testing van to increase the capacity of internal crews.

3.4 Contractual negotiations

Yurika has sought to resolve stakeholder cooperation challenges through amendments to its contractual arrangements with customers and retailers. Amendments to customer contracts include the addition of provisions which seek to share the compliance burden with customers, requiring them to undertake a positive duty of care to undertake testing in accordance with the NER, either through appointing Yurika to undertake testing, or seeking an alternative service provider. New processes and procedures have been implemented by Yurika's internal Business Development and Contracts teams to inform customers of the obligation to provide valid test certificates for HV instrument transformers they are responsible for prior to contract acceptance. While customers accept these terms and conditions by signing the contract, it is Yurika's experience that efforts to enforce these contractual provisions are largely unsuccessful.

[15] Clause S7.6.1(c), NER

[16] AER. (2023). *High voltage instrument transformer testing – information for customers.* Available here: Fact sheet template

Yurika has also pursued amendments to its contractual arrangements with retailers. These terms include requiring the retailer to work with the owner of an instrument transformer at a particular site to provide current certificates at the time of appointment, or to provide those certificates within a timely manner following Yurika's appointment. However, it is Yurika's experience that some, but not all, retailers may be unwilling to invest time and effort in this activity, and may seek to remove these contractual terms or reduce them to reasonable endeavours rather than absolute obligations.

Yurika has observed that employing contractual avenues to improve compliance with testing obligations is generally unsuccessful as it does not resolve the underlying issue with the NER described above regarding regulatory risk allocation and enforcement powers. Fundamentally, successful contractual outcomes rely on balanced incentives and consequences between parties. Under the current metering framework, there are no consequences for large customers refusing to cooperate with MCs undertaking instrument transformer testing, with the regulatory burden resting solely on MCs. As such, Yurika's attempts to enforce strict compliance with contractual terms around instrument transformer testing results in contractual breakdown with the only avenue available to Yurika being to terminate the contract, which is commercially undesirable. As outlined above, even if Yurika requests to terminate their appointment as MC, MSATS procedures require a new MC to accept appointment for the role change to be processed.

4. Description of proposed rule

This rule change request proposes to introduce a new Part 6A into the NERR, which will provide a process by which a retailer can de-energise a large customer's premises if the MC communicates that a large customer has failed to ensure that its metering installation is kept in proper working order, including that all components owned, or within the control, of the large customer are compliant with requirements of the NER and NERR.

The proposed rules are similar to existing retailer initiated de-energisation, and re-energisation, processes for small customers under existing Part 6 of the NERR.

The notification process a MC is required to undertake before requesting a retailer initiated de-energisation has been designed to reflect the specific nature of this issue and includes the requirement that a MC give a large customer multiple notices identifying the specific issue and the actions that must be taken to rectifying the issue. Yurika considers that three separate attempts at notifying a large customer that it is required to ensure HV CT/VT testing is undertaking in accordance with the NER, followed by issuing a newly proposed Notice of Intention to Request De-energisation, is sufficient to ensure that a large customer is aware there is an issue and that it is obligated to take actions to address the issue. If it does not do so, Yurika considers that de-energisation is a reasonable enforcement outcome, in line with what a small customer may face for denying access to a meter to ensure that a meter is complaint with the NER.

The following new Part 6A, containing a new Division 1 and Division 2, including new Rules 122A and 122B, is proposed:

PART 6A - De-energisation of premises – large customers

Division 1 Retailer-initiated de-energisation of premises

122A De-energisation for failure to ensure metering installations are kept in proper working order

(1) A retailer may arrange for de-energisation of a large customer's premises if:

(a) the large customer has failed to ensure that each component owned by the large customer, or within its control, that is comprised in any metering installation at the large customer's premises, is kept in proper working order to ensure the accuracy of metered consumption at the premises, including ensuring that the metering installation is compliant with all inspection and testing requirements under the National Electricity Rules; and

(b) the large customer's Metering Coordinator has confirmed in writing to the retailer that conditions of subrule (2) have been satisfied.

(2) If, after communicating to the large customer on at least three separate occasions that the large customer must take action to ensure that each component owned by the large customer, or within its control, that is comprised in any metering installation at the large customer's premises is kept in proper working order to ensure the accuracy of metered consumption at the premises, the large customer has failed to take such action, the large customer's Metering Coordinator may request that the retailer arrange for de-energisation of the large customer's premises provided that the following conditions are satisfied and have been confirmed in writing to the retailer:

(a) on each occasion that the Metering Coordinator has communicated to the large customer that it must take action to ensure that each component owned by the large customer, or within its control, that is comprised in any metering installation at the large customer's premises, is kept in proper working order to ensure the accuracy of metered consumption at the premises, the Metering Coordinator has written to the large customer stating the action it must take and that if it fails to do so the Metering Coordinator may request that the retailer arrange for de-energisation of the large customer's premises; and

(b) after at least three separate occasions of communicating to the large customer that it must take action, and the large customer has failed to do so to the satisfaction of the Metering Coordinator, the Metering Coordinator has given the large customer a Notice of Intention to Request De-energisation; and

(c) at least 30 business days have passed since the large customer was given the Notice under subrule (2)(b) and the large customer has not taken the required action to the satisfaction of the Metering Coordinator.

(3) A Notice of Intention to Request De-energisation under subrule (2)(b) must:

(a) state the date of its issue; and

(b) state the date on which the Metering Coordinator intends to give notice to the retailer to arrange for de-energisation of the large customer's premises; and

(c) state the reasons why the Metering Coordinator is seeking to arrange for de-energisation, including the reasons the Metering Coordinator considers that components owned by the large customer, or within its control, that is comprised in any metering installation at the large customer's premises, is

not in proper working order to ensure the accuracy of metered consumption at the premises; and

(d) if the Metering Coordinator considers that the large customer is non-compliant with inspection and testing requirements under the National Electricity Rules, state the clause/s of the National Electricity Rules that the Metering Coordinator considers the large customer is non-compliant with; and

(e) state the actions the large customer must take to ensure that the Metering Coordinator is satisfied that each component owned by the large customer, or within its control, that is comprised in any metering installation at the large customer's premises, is kept in proper working order to ensure the accuracy of metered consumption at the premises; and

(f) include contact details of the Metering Coordinator.

(4) If the retailer attends a large customer's premises to de-energise the premises, in accordance with subrule (1), but is unable to do so because the large customer has taken the actions identified in the Notice of Intention to Request De-energisation under subrule (3)(e), the Metering Coordinator is liable to pay any reasonable costs associated with the retailer's attendance at the premises.

(5) Following de-energisation arranged under subrule (1), the following rights and obligations exist:

(a) the de-energisation does not limit or waive any of the large customers' rights and obligations under their contract with the retailer arising before de-energisation, including, but not limited to, any of the large customers' obligations to pay amounts owed to the retailer; and

(b) the large customer is obliged to pay any fees or charges to the Metering Coordinator associated with arranging the de-energisation.

(6) If a large customer changes Metering Coordinator, the incoming Metering Coordinator is not required to restart the process under subrule (2), provided that the outgoing Metering Coordinator communicates to the incoming Metering Coordinator what progress has been made under the process at subrule (2).

(7) If a large customer changes retailer, the incoming retailer is required to progress the process initiated by the Metering Coordinator under subrules (1)(b) and (2), provided the Metering Coordinator communicates to the incoming retailer what progress has been made under the process at subrules (1)(b) and (2).

Division 2 Re-energisation of premises

122B Obligation on retailer to arrange for re-energisation of premises

(1) Where a retailer has arranged for the de-energisation of a large customer's premises and the customer has within 10 business days of the de-energisation:

(a) rectified the matters that led to de-energisation or taken actions to the satisfaction of the Metering Coordinator; and

(b) made a request for re-energisation; and

(c) paid any charge for re-energisation to the Metering Coordinator;

the retailer must, in accordance with any requirements under the energy laws, initiate a request to the distributor for re-energisation of the premises or arrange to re-energise the customer's premises remotely if permitted under energy laws.

Additionally, to facilitate this new rule, we propose to amend Rule 119 at subrule (1)(a). This will allow a distributor to de-energise a large customer's premises if informed by the retailer that it has the right to do so under the proposed new Rule 122A. The proposed wording is as follows:

Amendment of Rule 119 – Grounds for de-energisation

Subclause (1)(a) amend to read:

the customer's retailer informs the distributor that it has a right to arrange for de energisation under its contract with the customer, or under Rule 122A, and requests the distributor to de-energise the premises.

In addition to the new Part 6A rule proposed in the NERR, Yurika is also proposing an adjustment to the NER. As there is a shared responsibility between MCs and large customers to ensure that a large customer's metering installation complies with NER inspection and testing obligations, Yurika believes it is prudent to also amend the following NER clause to appropriately recognise that MCs are not solely responsible for compliance with testing obligations.

The proposed amendment to clause S7.6.1(c) of the NER is as follows:

c) The *Metering Coordinator* (or any other person arranging for testing) must **use its best endeavours to** ensure that testing of the *metering installations* is carried out.

Yurika acknowledges that there may be individual examples where de-energisation is not an appropriate enforcement option, for example a hospital. As such, in the event the AEMC were to decline to make the addition to NERR to include retailer de-energisation, Yurika is of the view that an amendment to the S7.6.1(c) NER obligation is still required to ensure that MCs are not strictly held responsible for non-compliance where they are unable to force a large customer to comply with NER requirements. In such circumstances, Yurika is of the view that flexibility in the strictness of the existing requirements is required.

5. How the rule change will address the issues

Yurika considers the proposed rule change will address the issue of ongoing non-compliance of HV CTs and VTs with testing obligations provided in the NER. As outlined above, Yurika is heavily reliant on the cooperation of large customers to fulfill its instrument transformer testing obligations in the NER and has exhausted available avenues to meet its compliance obligations.

We consider such a rule change would introduce an appropriate level of shared responsibility and accountability for the meter installation and its testing between the MC, as the technical expert, and the large customer as the owner of the instrument transformer which is comprised in the metering installation. Further, the introduction of retailer arranged de-energisation as a penalty for non-compliance is commensurate with similar provisions in the NERR which allow retailers to de-energise a customer's premises for failure to provide access to the meter.[17] As energy is an essential service, the

[17] Rule 113 of the NER.

proposed rule change introduces protections for customers by ensuring the retailer must arrange for re-energisation of the customer's premises provided certain conditions are satisfied.

In addition, the amendment to the MC's testing responsibility in the NER from an absolute to a best endeavours obligation recognises the MC's dependence on third parties (i.e. large customers) to achieve compliance with testing obligations. Yurika considers this amendment will not weaken the MC's commitment to its regulatory obligations, but rather aligns regulatory obligations with the practical realities associated with coordinating testing.

Stakeholder engagement

Yurika has engaged with other MCs operating in the NEM who are directly impacted by the proposed rule change through group discussions and communications and has received support for the proposed change. In addition, Yurika has informed the AER and AEMO of Yurika's intent to submit a rule change proposal with the AEMC, and provided both the AER and AEMO with a summary of the proposed rule change.

6. Contribution to the energy objectives

The proposed rule change will contribute to the National Electricity Objective (NEO)[18] and the National Energy Retail Objective (NERO)[19] as it will promote efficient investment in, and efficient operation and use of, electricity and energy services for the long-term interests of consumers.

Yurika considers that the proposed rule change would contribute to the NEO and NERO as follows:

- Improved safety outcomes – the HV CT/VT meter testing obligations provided in the NER are ultimately to ensure the instrument transformer is maintained to support the performance of the metering installation and hence protect the safety and security of related equipment and personnel. Irregular testing can increase the risk of defects and compromise safety outcomes. As instrument transformers electrically isolate high-voltage circuits from sensitive metering equipment in the metering installation, catastrophic failure could involve explosive failure, oil leaks or damage to other equipment.

- Improved network security – Instrument transformers are fundamental to network reliability and security as they provide critical data to AEMO to monitor voltage levels, load flows and system frequency which are essential for monitoring network operation. Further, protection relays rely on instrument transformers to detect abnormal conditions such as overcurrent or voltage imbalances. Protection relays are critical to the energy system as they detect abnormal operating conditions and initiate protective actions to isolate faults and prevent equipment damage. If instrument transformers fail or provide incorrect data, the protection relay may be compromised.

- Improved financial accuracy – Instrument transformers provide necessary inputs to revenue and statistical metering through meter accuracy. As instrument transformers step down high voltages and currents to safe levels, they allow for the precise measurement of electricity consumption for billing purposes. Failure to test instrument transformers in accordance with testing standards increases the risk of over-billing at the expense of the customer, or under-billing at the expense of the retailer.

[18] Section 7 of the NEL.
[19] Section 13 of the NERL.

- **Improved market efficiency** – The meter testing framework will operate more efficiently if regulatory risks are appropriately shared between all relevant stakeholders.

7. Potential impacts of the rule change

The potential costs, benefits and impacts to each relevant party is summarised in Table 4.

Table 4: Potential impacts of the proposed rule change on relevant parties

Impacted party	Rule change impact	Additional costs	Additional benefits
Metering Coordinator	MCs likely to face less resistance from customers to organise instrument transformer testing due to the associated de-energisation penalty. Regulatory obligations for testing will appropriately reflect MCs ability to achieve compliance with testing obligations.	No additional costs anticipated compared to the current framework.	Additional benefits anticipated through the form of avoided costs to MCs associated with organising customer compliance.
Large customers	Rule change introduces potential de-energisation of the large customer for failing to co-operate with MC to arrange instrument transformer testing.	No additional costs identified for compliant customers. Additional costs for non-compliant customers to undertake instrument transformer testing in accordance with NER obligations.	Additional benefits associated with reduced risk of adverse safety outcomes associated with non-compliant instrument transformers.
Retailer	Rule change introduces obligations on retailer to initiate de-energisation if the large customer fails to demonstrate the metering installation meets obligations provided in the NER.	Additional administrative costs associated with organising de-energisation for large customers who are non-compliant.	Potential financial benefits associated with reducing the likelihood of instrument transformers inaccurately recording energy flows resulting in under-billing.
NEM	No impact identified.	No additional costs identified.	Additional safety, security and financial benefits associated with improved accuracy of instrument transformers.

Yurika believes the above identified benefits would outweigh the administrative costs associated with the rule change.

yurika

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