



Rule Change Request

Improving the Metering Installation Maintenance Framework

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Intellihub Australia Pty Ltd
Level 14, 570 George Street
Sydney, NSW 2000 Australia
www.intellihub.com.au

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About Intellihub

Intellihub is an Australian and New Zealand based digital energy management specialist that is simplifying the transition to sustainable energy through our holistic ecosystem of smart devices and services. We deliver innovative metering, data and behind the meter solutions that maximise digital and new energy services. We are an experienced and leading provider of multi-utility services across electricity and water networks for residential, commercial & industrial, embedded network and solar metering customers. We specialise in asset management, installation, financing, and the day-to-day operations of smart meters, managing more than 3 million advanced smart meters.

Intellihub is registered as a Metering Coordinator, Metering Provider and Metering Data Provider in the Australian National Electricity Market and operate under participant names of Action, Acumen, Intellihub, Powermetric and Spotless.

Introduction

Background

Metering installation maintenance is the act of verifying the safety and accuracy of metering installations to a defined standard and if necessary rectifying a metering installation malfunction. Key activities include inspecting and testing of metering installations performed by a qualified person with specialised equipment following an internationally recognised standard.

Regular metering installation maintenance provides confidence to the customer and the market that the metering installation is safe and accurate. It also helps to promote fairness in billing and market settlement.

The National Electricity Rule (NER) define obligations related to metering installation maintenance including who is responsible for the maintenance, the minimum time period for testing and inspection, the expected accuracy level, the timeframe for rectifying a metering installation malfunction and an exemption process.

The NER obligates the Metering Coordinator (MC) to be the participant responsible for metering installation maintenance. However, the MC's ability to meet these obligations are limited or hindered in practice in several scenarios because the MC has to depend on the support of other market participants and the customer but there is little recognition of this in the NER. This has resulted in suboptimal industry processes and in several cases the inability for the MC to comply with metering installation maintenance obligations.

Current metering installation framework

The current metering installation maintenance process starts when a new metering installation is installed for a new connection point. The new metering installation would have components that are tested and certified to comply with applicable standards of accuracy and safety before the connection point is energised. During the life of the metering installation there are routine

maintenance activities, which comprised of inspections and tests, to ensure the accuracy and safety of the metering installation is maintained. If an issue with the accuracy or safety of the metering installation is identified, also known as a metering installation malfunction, then the metering installation is required to be rectified within a timeframe defined in the NER. However, if the metering installation malfunction cannot be rectified within the defined timeframe then AEMO can provide an exemption from the timeframe for a period of time.

The requirements for inspections and tests can vary depending on the type of metering installation. For example, metering installation for High Voltage (HV) customers, who have connection points rated at more than 1000 volts, have additional requirements because they have additional components within the metering installation, namely voltage transformers (VT) and current transformers (CT). The MC is obligated to test the HV VT and HV CT every 10 years and the testing requires a supply interruption. The MC usually work closely with the HV customer to scope and plan the testing to minimise the impact of the supply interruption, which can have significant impacts not only on the HV customer's operations but also their employee and the wider community.

Test certificates provide evidence that testing was completed by a suitably qualified person, the approach used for testing and the results of the test. When a new MC wins a NMI it is common industry practice for the new MC to ask the previous MC for a copy of the HV VT and HV CT test certificates. Acquiring a copy of the test certificate not only avoids the cost of organising another test but also avoid the impacts of another supply interruption for the HV customer.

To safely perform metering installation maintenance, in most cases a supply interruption is required. However, although MCs are responsible for metering installation maintenance they are not allowed to initiate a supply interruption and instead must rely on the FRMP, who has the right to interrupt supply or has the right to request the LNSP to interrupt the supply.

MCs are responsible for rectifying meter malfunctions within a prescribed timeframe defined in the NER. Although there is an expectation that the MC take all reasonable steps to rectify the meter malfunction there is recognition that there may be impediments and therefore the MC may request from AEMO an exemption from the timeframe if the timeframe cannot be met. Failure to rectify a meter malfunction within the prescribed timeframe or obtain an exemption from AEMO means the MC is non-compliant.

Statement of issue

Background

This rule change request raises 4 issues related to metering installation maintenance. The first two relate to High Voltage (HV) metering installations and last two relates to all types of metering installations. We note PLUS ES and Yurika have raised rule change requests recently that are related the first two issues we are raising. We support these rule change requests because they look to address the same issues we are experiencing, however we wish to propose an alternative option for the AEMC and industry to consider which we believe better meet the National Electricity Objective (NEO) and the National Energy Retail Objective (NERO).

The last two issues we are raising are interrelated and should be considered together to make the overall metering installation maintenance framework more effective. For efficiency, we encourage the AEMC to consult on all 4 issues we have raised with PLUE ES and Yurika's rule change request in a single consultation.

Issue 1: Some HV customers are not supporting the metering installation maintenance requirements

Although some HV customers work with MCs to allow testing to be performed, some HV customers do not engage with MCs and therefore appropriate scoping and planning cannot be done resulting in required tests not being performed. MCs avoid forcing a supply interruption on HV customers for testing because of the impact the supply interruption causes, and the cost for the test, which usually gets passed on to the HV customer, can be substantial and therefore can cause a dispute if it wasn't pre-approved. In our experience, some HV customers do not engage with MCs to avoid a supply interruption, avoid the cost of the testing and/or do not see themselves as required to take any actions.

We agree with the statements made by Yurika in their rule change request to describe the current arrangement, the issue, why alternate avenues in practice have limited success and why a rule change request is needed. Similar to Yurika, we have worked closely with the AER and retailers and have tried different approaches to engaging with HV customers. We believe full compliance is unachievable without changes to the rule to help resolve the issues and make the process more effective.

Issue 2: MCs are not obligated to share copies of HV VT and HV CT test certificates

Requesting for HV VT or HV CT test certificates can be an inefficient administrative process due to the reliance on the goodwill of individual people because currently there is no obligation to share a copy of the test certificates. Responding to a request for test certificates is not a priority for the previous MC because there is no direct benefit for the previous MC. This leaves the new MC having to follow up numerous times, and eventually having to following up with the HV customer for a test certificate or requesting the HV customer to arrange for another test to be completed, which can confuse and frustrate the HV customer. We believe a change to the rule is required to define a process that minimise the impact to the HV customers and avoid the need to rely on the goodwill of a competitor

Issue 3: FRMPs are not obligated to support the metering installation maintenance process

Although a MC can request a FRMP to initiate the process for a supply interruption there is no obligation on the FRMP to act on the request in a timely manner. This creates inefficiencies when the MC has to follow up with the FRMP and puts the MC at risk of non-compliance with their obligation to rectify meter malfunctions within the prescribed timeframe.

When the retailer is requested to assist by arranging a supply interruption some retailers have highlighted that there is no obligation on them to do so and have refused to help or will only reluctantly help after numerous follow up. Some retailers do not see this as a priority and see this as a burden on their operational team.

Some retailers become the FRMP for a NMI with a MC they refuse to sign a contract with. In this scenario the MC, despite not having a contract with the retailer, cannot refuse to be the MC for the NMI and must perform all obligations defined in the NER. This scenario occurs because although the NER contemplates a commercial arrangement when the FRMP appoints a MC in practice the FRMP can nominate themselves for a NMI in MSATS without having a commercial arrangement with the MC that is already recorded in MSATS. Therefore, we believe this issue needs to be resolved via the NER and cannot be reliant on commercial arrangements.

Issue 4: AEMO's metering installation malfunction procedure unreasonably limits the exemption period

On 28 November 2024 the AEMC made a final determination on Accelerating Smart Meter Deployment. Amongst other changes, clause 7.8.10 was updated to allow for a family failure malfunction to be rectified within 70 business days (previously it was 15 business days), and to obligate the MC to provide a rectification plan when requesting AEMO for an exemption (previously it was the MP who had to provide the rectification plan and it could be provided after an exemption was granted).

Clause 7.8.10.b obligates AEMO to establish and maintain a procedure for the provision of exemptions (the Exemption Procedure). On 1 July 2025, AEMO published a final determination on their Exemption Procedure to limit the allowable periods for an exemption and exemption extensions, even when there is an impediment that is outside of the MC's control. This restriction applies to small and large metering installations unless the rectification requires the replacement of an instrument transformer.

Scenarios where this restriction impacts the MC's ability to be compliant include:

1. When a defect at the metering installation is identified at a small customer metering installation then AEMO will only allow an exemption period of 15 business days and no extension to this exemption even if the customer agrees to rectify the defect on a date beyond the exemption period.
2. When a distributor identifies a metering installation malfunction on an individual legacy meter but the MC is unable to rectify this within the required timeframe because the meter box is blocked, then AEMO will only allow an exemption period of 15 business days and no extension to this exemption even if the customer agrees to clear the item blocking access on a date beyond the exemption period.

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3. When a family failure has been identified and the MC requires additional time due to the volume of meters impacted, then AEMO is willing to provide an exemption period of 70 business days. However, if 50 business days into the exemption period (as the MC is working through to exchange meters in the family failure) the MC is unable to gain access to a metering installation because there is an unrestrained dog AEMO will not extend the exemption even if the customer is willing to make an appointment on a date beyond the exemption period.

The latest update to the Exemption Procedure has created a situation whereby a MC can take all reasonable steps to comply with their obligation but is at risk of non-compliance for scenarios that are outside of the MC's control. We believe the metering installation malfunction and exemption framework should not make a MC non-compliant for the action or inaction of a third party, including when the third party is trying to do the right thing but needs more time.

We believe that changes to the rule is required to address this issue, as opposed to raising the issue with AEMO, given the result of AEMO's final determination and fact that this issue was raised during AEMO's consultation.

Proposed changes to the Rules

Background

In considering options for addressing the issues we preferred options that improved the existing framework because this allows for changes to be implemented sooner and with reduced cost and complexity to industry and customers.

Issue 1: Some HV customers are not supporting the metering installation maintenance requirements

We believe the HV customer is the best person to determine the most appropriate time for a supply interruption for testing. Therefore we believe a new framework should be introduced to inform and encourage HV customers to plan for testing activities with appropriate safeguards should the HV customers fail to meet their obligations.

We propose the new framework should include:

1. Inform and encourage HV customers to plan for testing activities:

The Financially Responsible Market Participant (FRMP) must inform HV customers, at least annually, of the HV customer's obligations which includes providing safe access for testing, the date when the next test must be completed by (Test Due Date) for the VT and CT, encouraging the customer to nominate a date for testing, who to contact to arrange the testing and what is the process if the customer does not nominate a date for testing by 12 months prior to the Test Due Date.

2. Appropriate safeguards should the HV customers fail to meet their obligations:

12 months prior to the Test Due Date:

- a) the MC must raise a request for a supply interruption to the FRMP
- b) the FRMP must raise a request to the LNSP for a coordinate supply interruption
- c) The LNSP must arrange the supply the interruption with the HV customer and the MC and perform the coordinated supply interruption prior to the Test Due Date
- d) The LNSP must update MSATS to indicate this process has started so any new FRMP or new MC has visibility that this process has started, and can factor this in when signing a new contract with the HV customer, because the LNSP will continue with this process regardless of who is the current FRMP or current MC
- e) If the customer refuse to engage with the LNSP then the LNSP must arrange a supply interruption for testing by the Test Due Date and must provide the HV customer and the MC with appropriate notice, which we suggest should be at least 60 business days.

We suggest the new framework be defined by creating a new section in Chapter 7 of the NER and updating section 91A of the NERR. Our proposal minimises significant changes by using the existing market design defined in the Rule, for example utilising the existing approach whereby the FRMP can request the LNSP to help with supply interruptions.

The cost of testing can be substantial and can vary between testing providers therefore we believe HV customers should have the opportunity to obtain quotes and engage with their preferred testing provider as long as the testing provider can comply with the MC's requirements. In addition, the MC should not unreasonably refuse a HV customer from engaging a testing provider if the testing provider can comply with the MC's requirements. However, once a LNSP starts the process of arranging the supply interruption, then the HV customer no longer has the opportunity to engage their preferred testing provider and the MC must engage the testing provider and the MC will have the right to charge the HV customer for the testing and the LNSP will also have the right to charge for their service.

We believe this proposal provides the right balance of allowing HV customers the opportunity to determine when is the best time for a supply interruption, or take advantage of a distributor planned interruption, and engage their preferred testing provider whilst having an appropriate guardrails should the customer not engage by removing the flexibility for the HV customer to choose their preferred date and preferred testing provider when a test is scheduled by the LNSP.

Issue 2: MCs are not obligated to share copies of HV VT and HV CT test certificates

We propose a new obligation be created on the previous MC to provide a copy of the HV VT or HV CT test certificate within 10 business days of the request from the current MC. We believe this new obligation could be inserted in Schedule 7.6 of the NER.

We believe this proposal is non-controversial and would help to make the industry process more efficient.

Issue 3: FRMPs are not obligated to support the metering installation maintenance process

We propose when requested by the MC the FRMP must initiate the process for a supply interruption for a date, or date range, nominated by the MC. In addition, the FRMP must inform the MC of the supply interruption date, or date range, notified to the customer or if the LNSP was requested to perform the supply interruption. The FRMP should also be obligated to provide all reasonable assistance to support the MC, for example initiating the supply interruption process in a timely manner so the MC can rectify meter malfunctions within the prescribed timeframes. We believe this new obligation could be inserted in section 7.2 of the NER and/or section 59B of the NERR.

We did not propose an option where the MC can have the right to arrange a supply interruption because this was raised in a similar rule change request called 'Introduction of metering coordinator planned interruptions' and this was not accepted by the AEMC for various reasons. Instead, our proposal utilises the current framework where the FRMP is allowed to initiate a supply interruption for metering installation maintenance. We know this process works because some retailers are already doing what is proposed and we believe this proposal will help to promote an effective and consistent industry process.

Issue 4: AEMO's metering installation malfunction procedure unreasonably limits the exemption period

We propose the NER define scenarios, for example matters outside of the MC's control, guidance or principles where AEMO must consider and not unreasonably reject a request for an exemption or exemption extension when the MC demonstrates that they are taking all reasonable steps to

resolve the issue. This should be applicable to both individual metering installation malfunction and family failure.

In addition, in keeping with the existing framework whereby the FRMP is the customer facing participant, we suggest the MC should continue to communicate with customers via the FRMP. Therefore, we also propose the FRMP be obligated to provide all reasonable assistance to the MC where customer communication or engagement is required.

We suggest the obligation related to the metering installation exemption be reflected in section 7.8.10 of the NER and the obligation related to customer communication or engagement be reflected in the NERR.

We believe this proposal will help to clarify the scope and intent of the Exemption Procedure, including any matters or scenarios that needs to be considered. We note that defining scenarios, guidance or principles in the NER for procedures AEMO must maintain is common and helps to avoid misunderstanding or disputes on what was expected in the procedure. We believe this proposal will help to promote a process that considers matters outside of the MC's control and allow for reasonable exemption periods based on the merits of each exemption request.

Potential impacts of the proposed rule change

Issue 1: Some HV customers are not supporting the metering installation maintenance requirements

HV customers will be better aware what steps they can take to support the HV testing framework and what would happen if they do not take supportive action. In addition, the proposal enables the HV customer to engage their preferred testing provider (if it is done before the 12 months prior to the Test Due Date) which gives the HV customer transparency and control over the cost of the testing.

The FRMP will have an obligation to help communicate to HV customers about the framework and to help arrange a supply interruption when requested.

The LNSP will have an obligation to help arrange a supply interruption for a HV customer when requested and to update MSATS to indicate the LNSP has started this process. MSATS will need to be updated to support this.

The MC will have an obligation to request the FRMP for a supply interruption 12 months prior to the Test Due Date and to work with the LNSP and HV customer to perform testing on a date nominated by the LNSP.

Largely the existing B2B transactions can be used, with minor changes to make it more effective, to support the proposed process.

Issue 2: MCs are not obligated to share copies of HV VT and HV CT test certificates

The previous MC will have an obligation to provide a copy of the test certificate when requested by the new MC. We expect this is a low impact because MCs are already obligated to keep a record of test certificates.

The new MC can have a more efficient administrative process for obtaining copies of test certificates.

The HV customer will be less likely to be contacted to provide test certificates, or incur additional avoidable costs in arranging for duplicated testing.

No change to MSATS or B2B is expected.

Issue 3: FRMPs are not obligated to support the metering installation maintenance process

Retailers will have an obligation to initiate the process for a supply interruption when requested by the MC. For retailers who already have this process in place we expect no impact however for retailers who do not already have this process in place then we expect changes will be needed to support this proposal.

The MC can have a more efficient administrative process and less likely to be at risk of non-compliance due to the inaction of a retailer.

No change to MSATS or B2B is expected.

Issue 4: AEMO's metering installation malfunction procedure unreasonably limits the exemption period

AEMO will have an obligation to consider the scenarios, guidance or principles defined in the NER when considering exemption requests or extensions. In addition, we expect AEMO will need to update the Exemption Procedure and if necessary update AEMO's exemption portal, however we expect most of these changes to be configuration changes to AEMO's exemption portal.

The MC is less likely to be at risk of non-compliance due to the action or inaction of a third party.

The FRMP will be obligated to communicate or engage with the customer to assist the MC resolve customer related matters.

Contribution to the energy objectives

We believe the rule change request contributes to the National Electricity Objective (NEO) and the National Energy Retail Objective (NERO) as it will promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers as follows:

Price: Our proposal for issue 1 will help to promote confidence and fairness in energy billing, energy market settlement and cost for HV testing by improving the metering installation maintenance framework for HV customers and allowing the HV customer to choose their preferred testing provider.

Safety: Our proposal for issue 1 and 3 will help to improve the metering installation maintenance framework by helping to identify and rectify safety related issues and risk at a metering installation sooner.

Efficiency: Our proposal for issues 2 and 3 will help to promote more efficient market processes and reduce administrative costs by clearly defining obligations on participants to assist each other. Also, our proposal for issue 4 will help to promote more efficient market processes and remove a non-compliance risk when MCs are performing all reasonable action by obligating AEMO to not unreasonably reject a request for an exemption or exemption extension when all reasonable actions are taken or proposed.