

15 January 2026

Ms Anna Collyer
Chair
Australian Energy Market Commission
Sydney South NSW 1235

By online submission: ERC0419

Dear Ms Collyer

AEMO Response to AEMC Consultation paper on *Supporting compliance with meter maintenance obligations*

AEMO welcomes the opportunity to provide feedback on the Australian Energy Market Commission's (AEMC's) consultation paper for *Supporting compliance with meter maintenance obligations*, published on 4 December 2025. As the consultation draws on four rule change requests, including AEMO's rule change request *Strengthening Metering Compliance and Improving UFE Allocation Fairness*, AEMO's views on many of the issues raised in the consultation paper have already been set out in that proposal.

Accordingly, AEMO does not seek to restate those positions here, but instead provides additional input in response to **Questions 6 and 7** of the consultation paper, which relate to metering installation malfunctions and exemption arrangements and arise from matters raised by Intellihub.

Rectifying metering installation malfunctions

AEMO agrees that there are circumstances in which a Metering Coordinator (MC) may be unable to rectify a metering installation malfunction within the collective timeframes specified in the NER and the applicable exemption periods, including for both individual malfunctions and family failures. In particular, these circumstances may arise where rectification is dependent on matters outside the MC's direct control, such as customer cooperation, site access, or defects on private electrical installations that must be resolved by the customer before metering work can proceed.

However, AEMO does not consider that expanding exemption periods, or providing additional discretionary or ongoing extensions, is an appropriate or effective response to these scenarios.

Family failure exemptions are intended to address extraordinary and unforeseen circumstances. MCs are able to determine, in advance, the size and composition of the meter families they elect to test, within the parameters established by AEMO's Metrology Procedure Part C. MCs should therefore only commit to testing family sizes that they have the operational capability to replace within the NER timeframes, including the base 70 business days permitted without reliance on any exemption period.

Where a family failure arises, the exemption period should reasonably be sufficient to address matters within the MC's direct control that might inhibit malfunction rectification within the 70 business day requirement, such as procurement, logistics, and workforce mobilisation issues. Any need for further extensions is more likely to indicate either a planning failure or the presence of access-related barriers that cannot be resolved by the MC alone.

Exemption extensions do not resolve access-driven non-compliance

Where the factor preventing malfunction rectification is beyond the MC's control – for example, where customer action is required to remove obstructions, rectify defects on private property, or agree to site shutdowns – extending exemption periods does not materially improve the likelihood of resolution. Instead, repeated or open-ended exemptions risk normalising prolonged non-compliance, exposing customers and the broader market to ongoing metering inaccuracy with no clear incentive for timely resolution.

In practice, exemption extensions would operate as an administrative workaround for a structural accountability issue, rather than a mechanism that addresses the underlying cause of non-compliance. The preparation, assessment, approval, monitoring and ongoing management of exemption extensions impose additional operational and compliance costs on MCs, retailers, and AEMO. These costs are borne by the market and ultimately consumers, yet would not improve the MC's ability to secure access where cooperation from the customer is the limiting factor.

In AEMO's view, further extensions in these circumstances primarily serve to defer any resolution to the issue, add complexity and cost to the regulatory framework, and dilute the effectiveness of the metering compliance regime, without materially improving rectification outcomes.

Structural accountability provides a more effective solution

The issues raised by Intellihub are more appropriately addressed through structural and accountability mechanisms, rather than through expanded exemption discretion. These mechanisms were explicitly addressed in AEMO's original rule change proposal.

First, AEMO proposed clarifying the definition of metering installation in Chapter 10 of the NER to make explicit that it refers to a compliant and verified metering installation. This clarification reinforces the existing obligation in NER 7.2.1(a)(2) on the Financially Responsible Market Participant (FRMP) to ensure there is a metering installation at the connection point, and strengthens the incentive on the FRMP to ensure that compliance activities can be carried out in practice – including where there is a metering installation malfunction at a connection point.

Second, and critically in the context of Questions 6 and 7, section 5.1.1 of AEMO's proposal (page 12)¹ explicitly addressed situations where MCs are unable to fulfil their obligations due to customer or site access limitations. That section proposed new provisions to NER 7.8.10 (Metering installation malfunctions) and Schedule 7.6 (Testing) to make it explicit that, where an MC cannot carry out its obligations under 7.8.10 or Schedule 7.6.1 due to access constraints, the relevant FRMP must facilitate the MC fulfilling those obligations within a specified timeframe (for example, 60 business days from being notified by the MC or otherwise becoming aware of the issue).

This facilitation obligation was proposed to be visible through MSATS, including via NMI Standing Data, ensuring transparency for the current FRMP and any prospective FRMP prior to a transfer. Together with the clarified definition of metering installation, this approach directly addresses the access-driven compliance gap by placing responsibility on the participant best able to secure customer cooperation in resolution of a non-compliant issue, including where there is a metering installation malfunction.

¹ <https://www.aemc.gov.au/sites/default/files/2025-12/ERC0422%20-%20AEMO%20-%20Rule%20change%20proposal%20-%20Strengthening%20Metering%20Compliance%20and%20Improving%20UFE%20Allocation%20Fairness%202020925.pdf>

Summary response to the AEMC's questions

Question 6:

Yes, AEMO agrees that there are scenarios where MCs may not be able to repair malfunctions within the specified timeframes for both individual failures and family failures. These scenarios predominantly arise where resolution depends on customer or site access matters outside the MC's direct control.

Question 7:

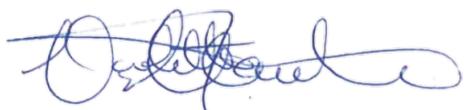
AEMO does not support defining additional scenarios, guidance, or principles in the NER that would require AEMO to further extend exemption periods in such circumstances. Instead, AEMO considers that the structural reforms proposed in section 5.1.1 of its original proposal – including the clarification of the metering installation definition and the explicit obligation on FRMPs to facilitate MC compliance where access is the barrier – provide a more effective, transparent, and durable solution than expanding exemption discretion.

Further, this approach addresses the root cause of prolonged non-compliance, avoids reliance on repeated exemptions, and ensures that accountability and incentives are aligned with the party that holds the customer relationship and is therefore best positioned to resolve access-related issues.

AEMO looks forward to continuing its collaboration with the AEMC, the related rule change proponents, and other stakeholders to ensure that practicable changes are made to improve compliance with metering installation maintenance obligations in the National Electricity Market.

Should you wish to discuss any of the matters raised in this submission, please contact Hannah Heath, Group Manager – Strategic Market Reform, at hannah.heath@aemo.com.au.

Yours sincerely,



Violette Mouchaileh
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