

Ms Anna Collyer  
Chair Australian Energy Market Commission

Dear Ms Collyer,

**Supporting compliance with meter maintenance obligations draft rule determination paper**

PLUS ES welcomes the opportunity to provide feedback to the Australian Energy Market Commission's (AEMC) draft rule determination on *Supporting compliance with meter maintenance obligations*.

PLUS ES is a registered Metering Co-ordinator (MC) and an accredited Metering Provider (MP), Metering Data Provider (MDP) and Embedded Network Manager (ENM) in the National Electricity Market (NEM). Our skilled workforce provides metering services across Australia and supports Consumer Energy Resources (CER) deployment. We provide metering services through retailers and directly to customers ranging from small residential customers through to Australia's largest manufacturers and mining operators.

We support the AEMC's objectives in progressing this rule change, particularly the intent to improve regulatory clarity, address compliance risk for MCs arising from factors beyond their control, and strengthen accountability across the metering supply chain. We consider the Commission's approach to be well founded and broadly aligned with the National Electricity Objective (NEO), as it seeks to promote efficient operation, compliance proportionality and improved market outcomes.

Our submission is intended to support this policy direction by identifying opportunities to refine the proposed framework to reduce unintended consequences, improve efficiency, and better align obligations with operational realities. In particular, PLUS ES has focused on approaches that leverage existing market frameworks, minimise duplication, and appropriately allocate responsibility across retailers, customers and MCs.

Our key points are summarised below:

- **NER clause 7.6.2A** – We support the intent of the clause; however, we identify a customer incentivisation gap in circumstances where the Financially Responsible Market Participant (FRMP) has not appointed the MC, such as following retailer churn. In these scenarios, MCs may remain exposed to compliance risk due to third-party behaviour, while incoming retailers may avoid engagement or payment. We also recommend clarifying the clause to explicitly reference either the appointing party or the current FRMP, to ensure accountability remains continuous and responsibility cannot be strategically avoided;
- **MC relief from testing and inspection timeframes** – We support the objective of providing MCs with relief where compliance is prevented by access, safety or readiness constraints. However, for efficiency and to better meet the NEO, we recommend adopting an exception-based framework, consistent with established Metering Installation Timeframe (MIT) precedents, rather than a discretionary exemption process;
- **Notice procedures for testing, inspection and rectification of defective metering installations** – We support the objective of ensuring timely notification and remediation of defects. To streamline implementation and reduce costs, we recommend leveraging the existing small customer metering defect notification framework, rather than introducing a new, standalone process; and
- **Effective go-live date** – PLUS ES considers that an effective go-live date of at least 12 months following the Commission's final determination is necessary. To maximise implementation efficiency, commencement should, where practicable, align with AEMO's subsequent release. Transitional

arrangements should not be unnecessarily extended, as this would prolong the period of heightened AER monitoring and compliance oversight for MCs.

Further detail and information on each of the above points can be found in the accompanying appendices:

- Appendix A – Answers to the consultation questions
- Appendix B – Additional General Feedback
- Appendix C – Feedback on specific NER clauses

In addition to the detail provided above and, in the appendices, below, PLUS ES welcomes further discussions in relation to this submission or any other item relating to the topic and appreciates the opportunity to contribute to the development of a practical, proportionate and efficient metering framework.

If you have any questions or wish for further discussion, please contact Helen Vassos on 0419 322 530 or at [Helen.vassos@pluses.com.au](mailto:Helen.vassos@pluses.com.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nural Omer', with a long horizontal flourish extending to the right.

**Nural Omer**

**PLUS ES – Head of Metering**

# APPENDIX A – ANSWERS TO THE CONSULTATION QUESTIONS

PLUS ES has provided responses to the stakeholder consultation questions in the table below for the AEMC’s consideration.

Questions	PLUS ES feedback
<b>1. Obligations on retailers and large customers as the person who appointed the MC</b>	
<p>Do you agree that retailers and large customers should cooperate and provide reasonable assistance to MCs?</p>	<p>PLUS ES strongly agrees that retailers and large customers should cooperate with, and provide reasonable assistance to, MCs in the performance of their obligations under the NER.</p> <p>MCs rely on the cooperation of retailers and customers, irrespective of who has appointed them, to obtain timely site access, coordinate testing and inspection activities, and address metering defects. Without such cooperation, MCs may be unable to meet their regulatory obligations despite having taken all reasonable steps within their control; in particular where there are no Direct Metering Agreements (DMA) with the customer. Not all customers are uncooperative; however, those who are, tend to present the highest compliance risk and account for a disproportionate share of administrative and operational costs. Requiring cooperation across the supply chain appropriately reflects the shared nature of metering responsibilities and supports effective market operation.</p> <p>Articulating a clear obligation on the current FRMP and/or the large customer to provide reasonable assistance promotes accountability, discourages avoidable non-cooperation, and supports more timely and efficient resolution of metering issues. This, in turn, contributes to improved safety, data accuracy and consumer outcomes.</p> <p>However, PLUS ES emphasises that any such obligation must be supported by a balanced compliance framework. Where retailers or customers fail to cooperate despite an MC’s reasonable efforts, MCs must not be exposed to breach or penalty for matters beyond their control. Obligations on retailers and customers should therefore operate in tandem with appropriate relief mechanisms for MCs—such as an exception-based framework—where non-cooperation prevents compliance.</p> <p>Overall, we consider that clearly defined cooperation obligations are consistent with the NEO, as they promote efficient operation of electricity services and reduce unnecessary compliance costs arising from misaligned incentives or unilateral accountability.</p>
<p>Should the Rules clarify or include any other obligations on retailers and large customers that would support MCs with their testing, inspection and malfunction rectification obligations?</p>	<p>PLUS ES considers that the Rules should clarify and, where necessary, include additional obligations on retailers and large customers to support MCs in meeting their testing, inspection and malfunction rectification obligations.</p> <p>Based on our operational experience, where MC rule obligations do not align with the natural incentives of retailers/customers and/or are not clearly articulated, MCs are left exposed to inconsistent interpretations by these stakeholders, with material impacts on compliance outcomes. In practice, this means MCs are completely reliant on each retailer’s or customer’s discretionary interpretation of what constitutes reasonable cooperation, leading to variable levels of engagement, delayed access, and prolonged defect or malfunction resolution.</p> <p>Clearer and more explicit obligations would reduce ambiguity and help ensure a more consistent and predictable level of cooperation across the market. This is particularly important where MC compliance is dependent on actions outside the MC’s direct control, such as timely access to premises, customer authorisations, or coordination with site representatives.</p> <p>Clarifying obligations regarding retailers and large customers would:</p> <ul style="list-style-type: none"> <li>• Reduce unnecessary disputes and delays arising from differing interpretations of existing requirements;</li> </ul>

	<ul style="list-style-type: none"> <li>• Support timely access and engagement for testing, inspection and rectification activities;</li> <li>• Improve accountability across the supply chain by ensuring responsibility for non-cooperation is more clearly allocated; and</li> <li>• Reduce the risk of MCs being exposed to breaches for matters beyond their reasonable control.</li> </ul> <p>Importantly, any additional or clarified obligations should be principle-based, support MC compliance with prescribed timeframes, and operate alongside appropriate protections for MCs where cooperation is not provided despite reasonable and demonstrable steps. The framework should avoid and close any potential loopholes that may facilitate the strategic avoidance of responsibility or cooperation obligations.</p>
<b>2. Circumstances where MCs may apply for an exemption with a longer period than specified in AEMO's Exemption Procedure</b>	
<p>Do you agree that it is appropriate to allow MCs to apply for an exemption with a longer period than that specified in malfunctions AEMO's Exemption Procedure, only in circumstances where a metering installation is not accessible, ready, or safe?</p>	<p>PLUS ES agrees that it is appropriate to allow MCs to apply for an exemption period longer than that specified in AEMO's Malfunctions Exemption Procedure in circumstances where a metering installation is not accessible, not ready, or not safe.</p> <p>In such circumstances, an MC's ability to comply with testing, inspection, and malfunction rectification obligations is fundamentally constrained by factors outside its direct control. Limiting exemptions to fixed or short durations without the ability to apply for extensions until the third-party barriers have been resolved, does not reflect operational reality and can result in MCs being repeatedly exposed to breach risk despite no material change in circumstances.</p> <p>We emphasise that support for extended exemption periods does not imply that, once an exemption is granted, an MC should cease efforts to meet its obligations. MCs should continue to undertake reasonable and ongoing activities to progress compliance. However, such activity must be proportionate and outcome-focused, particularly where customers continue to refuse access despite the MC having made reasonable and demonstrable attempts to engage, including retailer escalation and direct customer contact.</p> <p>Where all reasonable upfront attempts have failed and customer behaviour remains unchanged, it is neither efficient nor effective to require repeated access attempts. In these circumstances, it would be reasonable for the MC to transition to alternative monitoring approaches, such as monitoring for customer move-out or other trigger events that may enable future access. To support this approach, appropriate mechanisms should be available to enable MCs to monitor such events without introducing additional compliance risk or administrative burden.</p> <p>Extensions to exemptions should be explicitly permitted where the underlying access, readiness, or safety issues persist. Third-party behaviour, such as ongoing refusal of access, delays in site readiness, consistent rescheduling of supply interruption or unresolved safety constraints, are not time-bound and cannot be resolved unilaterally by the MC. As a result, requiring MCs to continually reapply for relief or comply within arbitrary timeframes such as the current 15 business days imposes unnecessary administrative burden and creates regulatory uncertainty without improving outcomes.</p> <p>Provided that an MC has taken reasonable and demonstrable steps to obtain access and facilitate rectification, allowing longer exemption periods and extensions in these limited circumstances represents a proportionate and practical regulatory response. This approach appropriately balances the need for accountability with the recognition that MCs should not be penalised for matters beyond their reasonable control.</p> <p>We consider that such flexibility is consistent with the NEO, as it supports efficient compliance, reduces avoidable administrative costs, and better aligns regulatory settings with operational realities, while maintaining incentives for timely resolution where cooperation is forthcoming.</p>
<p>Do you agree MCs can effectively manage the size and number of</p>	<p>PLUS ES does not agree that MCs can, in all cases, effectively manage the size and number of family failures so that affected meters can be repaired or replaced within the prescribed timeframes in the NER and AEMO's Exemption Procedure.</p>

<p>family failures so they can be replaced within the specified timeframes in the NER and AEMO's Exemption Procedure?</p> <p>•If not, why and how can the Rules ensure family failures are repaired or replaced in a timely manner while balancing risk to inaccuracy in market settlement and customer billing from delayed meter repair or replacement? For example, allowing MCs to obtain an exemption for family failures that have a volume of meters over a certain threshold.</p>	<p>While selectivity may reduce the size of an affected family in some cases, it will not always be a practical or appropriate solution. A defect may affect an entire population, rather than a subset identifiable by batch or production date. In those circumstances, selective sampling may understate the true extent of the issue and result in meters remaining in service that should otherwise be replaced.</p> <p>This approach can also increase testing and compliance costs, while outcomes may still be influenced by sampling variability rather than the actual risk profile of the population. This creates the potential for inconsistent outcomes and may not support timely or efficient remediation.</p> <p>More broadly, the scale of a family failure is difficult to predict in advance. Where a large population is affected, replacement will depend on workforce availability, meter supply, site access and other operational constraints. As a result, even reasonable and well-managed efforts may not be sufficient to meet standard replacement timeframes.</p> <p>It is also important to recognise that, unlike individually identified malfunctioning metering installations, family failures are identified through selective sampling and not all meters within the affected family will necessarily be faulty. Their replacement may therefore not always be equally urgent or critical.</p> <p>The Rules should therefore provide a more flexible mechanism for large-scale family failures, including replacement timeframes, or exemption periods, that are calibrated to the size of the affected population and the practical capacity to undertake replacements safely and efficiently. Any exemption framework should allow case-by-case consideration, including longer periods where very large populations are involved.</p> <p>This would better balance the objective of timely repair or replacement against the risks of delay, including impacts on market settlement and customer billing, while recognising the practical limitations MCs may face in responding to large-scale failures.</p> <p>Delayed replacement should also be accompanied by measures to manage settlement and billing risk. This could include requiring MCs, as a condition of any exemption or extended replacement period, to provide a project plan, demonstrate the steps already taken, and implement appropriate interim controls such as:</p> <ul style="list-style-type: none"> <li>• risk-based prioritisation of replacements, focusing first on populations or sites with the greatest potential impact on settlement or billing accuracy; and</li> <li>• enhanced monitoring and review of affected populations to identify whether the defect is causing material under- or over-recording.</li> </ul>
<p>Does the draft rule appropriately balance reducing MC non-compliance with the Rules and the risk of greater meter inaccuracy from exempting malfunctioning meters? Do you agree the balance adopted in the draft rule would be in the long-term interest of consumers?</p>	<p>PLUS ES acknowledges the intent of the draft rule to strike a balance between reducing MC non-compliance exposure and managing the risk of increased meter inaccuracy arising from exempting malfunctioning meters. However, we do not consider that the balance, as currently drafted, is appropriate in all circumstances, nor that it consistently operates in the long-term interests of consumers, particularly large customers.</p> <p>While the reduction of inappropriate MC non-compliance is a necessary and positive objective, the draft rule does not adequately address the root cause of prolonged malfunctioning or untested meters, namely ongoing third-party non-cooperation. Without corresponding incentives or obligations on customers to facilitate access and rectification, the draft rule risks entrenching inaccuracies rather than resolving them.</p> <p>This risk is particularly acute in the context of large customers. Large customers are directly exposed to the commercial and operational consequences of metering inaccuracies, including settlement impacts and billing disputes. Where a large customer continues to refuse or delay access, the exemption framework may inadvertently permit inaccurate metering to persist, which is ultimately not in that customer's and / or the Market's own long-term interest.</p> <p>Moreover, where a large customer does not have a DMA, as outlined in our feedback in Appendix B1, there is an absence of natural commercial drivers or intermediaries to encourage timely resolution. In these circumstances, the draft rule risks creating a compliance stalemate: the MC is relieved from breach, but the customer faces no meaningful incentive to cooperate, and the metering issue remains unresolved.</p>

	<p>From a broader policy perspective, we consider that the long-term interests of consumers are best served by a framework that:</p> <ul style="list-style-type: none"> <li>• Protects MCs from non-compliance where failures arise from circumstances beyond their control;</li> <li>• Avoids normalising ongoing meter inaccuracy through repeated or extended exemptions; and</li> <li>• Ensures that customers—particularly large customers—have clear incentives and obligations to facilitate timely access and rectification.</li> </ul> <p>Absent of these elements, the draft rule will not consistently deliver outcomes aligned with the NEO, as it risks increasing the duration and prevalence of inaccurate metering without sufficient drivers to resolve the underlying issues.</p> <p><b>Customer Incentivisation</b></p> <p>PLUS ES recommends implementing customer incentivisation through clear, principle-based obligations and consequence alignment, rather than additional prescriptive processes. Ongoing non-cooperation by retailers or customers should be transparently attributed, such that the persistence of exemptions or exceptions is clearly linked to third-party behaviour. This creates a meaningful incentive for cooperation, particularly for large customers without a DMA, while maintaining regulatory simplicity.</p> <p>We also continue to support a last-resort de-energisation incentivisation mechanism, subject to appropriate safeguards, where persistent non-cooperation results in ongoing metering inaccuracy or safety risk, remembering that this last resort would be solely the result of the ongoing deliberate inactions of the customer. This would provide a proportionate behavioural incentive to facilitate access and rectification, reinforcing shared accountability without introducing new compliance frameworks.</p>
<p>Are there any other circumstances where MCs may need more time to repair a malfunction that the Commission should consider?</p>	<p>PLUS ES supports addressing the third party blockers, especially access and Defect resolution will achieve the greatest impact on improving metering malfunction repair.</p> <p>In addition to circumstances where a metering installation is not accessible, ready, or safe, MCs may reasonably require additional time to repair a malfunction due to factors beyond their control. These include persistent third-party non-cooperation such as customer-controlled outages or operational constraints, complex site or technical arrangements (such as multi-tenanted sites or embedded networks), retailer-dependent delays, supply chain or specialist resource limitations, and compliance dependencies outside the MC's remit. Alternatively these can be generically summarised as circumstances outside the reasonable control of the MC.</p> <p>In PLUS ES' experience, such factors are frequently interrelated and not resolvable within fixed timeframes. Accordingly, rigid rectification periods risk repeated MC non-compliance without improving outcomes. The framework should therefore allow extended or ongoing relief where delays arise from matters beyond the MC's reasonable control and reasonable efforts to progress rectification have continued.</p>
<p>3. Circumstances where MCs may apply for an exemption to testing and inspection timeframes in the NER.</p>	
<p>Where a metering installation is not accessible, safe, or ready, do you consider MCs may require an exemption to both testing and inspection timeframes in the NER, or only for testing?</p>	<p>PLUS ES submits that where a metering installation is not accessible, safe, or ready, MCs may require exemption from both testing and inspection timeframes, as the same access and safety constraints for malfunction remediations, typically prevent completion of either activity. Limiting relief to testing alone creates artificial compliance exposure without improving outcomes, whereas a consistent approach better reflects operational reality and supports efficient compliance in line with the National Electricity Objective.</p> <p>For example, Type 1- 4 metering maintenance involves the accuracy testing and inspection of meters, CTs, VTs and associated secondary wiring. The key barriers to completing this testing and inspection within required timeframes are securing access to the metering installation and coordinating a temporary planned supply interruption.</p>

<p>Do you agree that it is appropriate to allow MCs to apply for an exemption to testing and inspection timeframes specified in Schedule 7.6.1 of the NER or their asset management</p>	<p>Where the MC experiences circumstances outside their reasonable control for a metering installation, they may require exemption from both testing and inspection timeframes, as the same challenges typically prevent completion of either activity. Limiting relief to testing alone creates artificial compliance exposure without improving outcomes, whereas a consistent approach better reflects operational reality and supports efficient compliance in line with the NEO.</p>
<p>Are there any other circumstances where MCs may need more time to test and inspect metering installations that the Commission should consider?</p>	<p>Yes. There are circumstances in which MCs will reasonably require additional time to complete testing and inspection of metering installations, and that this need may arise independently of any issue with the condition or performance of the metering installation itself.</p> <p>In particular, MC resources may need to be redirected to metering activities that are critical to establishing or restoring supply, including works necessary to support energisation, re-energisation, continuity of service, and the timely commencement of market settlement following a significant unforeseen event. Where such priorities arise, it is neither realistic nor appropriate to expect routine or cyclical testing and inspection obligations to take precedence.</p> <p>This issue is likely to arise in the context of force majeure events, unseasonal or extreme weather events, and other operational disruptions that constrain workforce availability, limit safe access to sites, or materially affect the ability to carry out field activities. In these circumstances, MCs may have no reasonable alternative but to prioritise resources toward works required to establish supply, restore services, or support core market processes including market settlement.</p> <p>It is also important that the framework does not proceed on the flawed assumption that any delay in testing or inspection indicates that a metering installation is defective, non-compliant, or unable to perform its core function. Testing and inspection are assurance-based obligations. While important, they do not necessarily reflect the existence of a fault, nor should delayed completion be treated as evidence of unacceptable risk to the Market processes where the delay is driven by legitimate unforeseen events.</p> <p>Accordingly, the Rules should provide a workable basis for additional time where compliance with standard testing and inspection timeframes is not reasonably practicable initiated by unforeseen circumstances beyond the MC's control. An exception / exemption framework that fails to accommodate these circumstances risks imposing compliance obligations that are disconnected from operational reality and may inappropriately penalise MCs for prioritising activities that are more critical to customer supply continuity and market function.</p> <p>Any such flexibility should of course be supported by appropriate safeguards, including a requirement for the MC to document the relevant circumstances, demonstrate why the delay was reasonably necessary, and complete the testing or inspection as soon as reasonably practicable once those constraints no longer apply.</p>

## APPENDIX B – ADDITIONAL FEEDBACK

PLUS ES has provided additional feedback on the following topics for the AEMC's consideration.

### 1. Inclusion of proposed NER clause 7.6.2A

PLUS ES acknowledges and welcomes the AEMC's intent to improve compliance outcomes for metering obligations by addressing customer non-cooperation with metering activities and strengthening enforceability within the metering framework, as:

- Metering is foundational to market integrity;
- Non-cooperation materially undermines existing obligations;
- Improved enforceability supports consistent compliance outcomes; and
- Regular certainty benefits all parties.

While the introduction of a civil penalty may provide a general compliance incentive, the proposal does not cater for circumstances where a customer has not appointed a MC and actively or effectively creates barriers to the performance of metering-related activities.

In particular, the proposal does not resolve scenarios in which retailers are unable to obtain the customer's agreement or cooperation for activities necessary to meet metering obligations, such as facilitating planned supply interruptions, site access, or other required actions. In these circumstances, the retailer may have limited or no practical incentivisation to compel cooperation, despite being exposed to ongoing compliance risk. Further, the use of broad or generic terminology without clear qualifiers, such as reasonable assistance and cooperation, risks undermining the operability and enforceability of the framework. Absent more precise drafting, it may be difficult to establish non-compliance, apply appropriate consequences, or enable retailers to effectively rely on the powers available under the NERR in respect of customers who fail to cooperate.

Without a clear and enforceable mechanism that directly addresses customer-driven barriers, the proposed clause and civil penalty risk misaligning accountability with controllability, e.g. a large commercial customer during their tenure on premises refuses to provide consent, access etc. This undermines regulatory certainty and does not adequately mitigate the risk of non-compliance arising from factors outside the retailer's reasonable control.

Accordingly, PLUS ES does not consider the proposed measure sufficient to close the identified gap and submits that further consideration is required to ensure obligations and enforcement mechanisms appropriately reflect where responsibility and influence lie in such circumstances. We consider that in circumstances where a customer continues to create barriers to required metering activities despite reasonable attempts at engagement, civil penalties alone may not provide an effective or timely incentive for cooperation. Whilst we recognise industry reservations in supporting a proposed de-energisation as a last-resort mechanism, PLUS ES has sought to align enforcement responses with graduated enforcement principles, whereby progressively stronger measures are available where initial compliance and ongoing engagement efforts have failed. A last-resort de-energisation mechanism, applied only after all other reasonable avenues have been exhausted and subject to appropriate safeguards, would operate as the final step in a graduated enforcement framework. Such an approach targets the source of non-compliance directly, creates a clear and proportionate incentive for cooperation, and better aligns enforcement outcomes with controllability by placing consequences on the party best positioned to resolve the impediment.

#### Retailer churn and MC appointment risk

PLUS ES notes a material risk arising in retailer churn scenarios, where the incoming retailer has not appointed the existing MC and elects either not to execute a metering services agreement or to churn out the MC. In practice, this may create a regulatory and commercial gap, whereby an incoming retailer may rely on churn events to avoid payment for metering services and/or decline to support the MC in meeting its obligations, while the MC continues to be subject to ongoing compliance requirements under the Rules.

This dynamic can result in a circular outcome in which the MC remains responsible for testing, inspection and malfunction rectification obligations, but lacks a willing or clearly accountable counterparty to engage with or fund those services. Over time, this undermines market efficiency and creates incentives that are misaligned with the National Electricity Objective.

#### Recommendation

To mitigate this risk and strengthen clarity of responsibility, PLUS ES recommends that the drafting of NER clause 7.6.2A be clarified to explicitly reference responsibility resting with either:

- the person who appointed the MC; and
- the current FRMP for the connection point.

Such clarification would promote continuity of responsibility across retailer churn events, reduce the potential for strategic avoidance of metering support, and provide greater regulatory and commercial certainty for MCs. Aligning obligations with either the appointing party or the current FRMP more accurately reflects market arrangements and supports the efficient and stable operation of the metering framework in accordance with the NEO.

## 2. MC exemptions from testing and inspection timeframes

PLUS ES supports the AEMC's policy direction to provide MCs with relief from breaches of the NER in circumstances where compliance with testing and inspection obligations is contingent on third-party actions, such as timely cooperation from retailers or customers. This initiative aligns with the NEO, insofar as it promotes efficient investment in, and operation of, electricity services by avoiding inappropriate compliance exposure where an MC has acted reasonably and diligently.

We acknowledge that the proposed additional clauses in NER 7.9.1(m)-(q) represent an important step toward recognising that MCs should not automatically be deemed in breach where compliance has been frustrated by circumstances beyond their control. However, we consider that the proposed exemption-based framework may give rise to a number of unintended consequences that risk undermining regulatory efficiency and certainty.

In particular, an exemption framework:

- Introduces a new and ongoing exemption application process, resulting in additional procedural and administrative burden for both industry and the market operator, including the need for new AEMO procedures, system changes, and associated compliance processes for MCs;
- Relies on inherently subjective assessments in the granting and extension of exemptions (as further noted in Appendix C against the clauses), such that at the conclusion of an exemption period, where third-party cooperation has still not been achieved, the MC is once again exposed to breach of the Rules, despite no material change in underlying circumstances; and
- Risks normalising non-cooperation by customers and retailers, by implicitly tolerating ongoing failure to facilitate access for testing and inspection activities that are necessary for the MC to meet its NER obligations.

### Recommendation

To better address these risks, we recommend that the AEMC consider an alternative exception-based framework, modelled on the established and well-understood MIT exceptions. Such a framework would provide automatic relief where clearly defined, objective exception criteria are met, without requiring a case-by-case exemption application. This approach benefits from regulatory precedent, limits administrative overhead, and provides greater certainty for MCs, retailers, and AEMO alike.

Importantly, an exception-based framework, appropriately constrained and supported by evidentiary requirements, would better promote compliance incentives across the supply chain, while ensuring that MCs are not penalised for failures arising from third-party non-cooperation.

In this regard, PLUS ES notes that the systems, processes and controls required to administer an exception framework are already in place for MCs under the existing MIT regime. MCs currently maintain auditable records, apply objective exception criteria, and report outcomes to support retailer compliance with MIT obligations and bilaterally agreed arrangements. As such, adopting a comparable exception framework for testing and inspection obligations would not represent a new or untested compliance construct, but rather an extension of a well-established and operationally embedded framework.

Further, we consider that the existing annual MC audit regime provides an effective and proportionate safeguard against misuse or 'gaming' of an exception framework. Independent audits would continue to assess the appropriateness, consistency and evidence-base supporting the application of exceptions, ensuring they are applied only where genuine third-party impediments exist and that MCs have taken reasonable steps to secure cooperation and continue to do so.

Accordingly, an exception-based framework grounded in established MIT precedents and reinforced through regular audit oversight—would deliver greater regulatory certainty, minimise administrative

burden, and better advance the NEO by supporting efficient compliance outcomes without introducing unnecessary procedural complexity or subjective exemption determinations.

### 3. Notice procedure for testing, inspecting and repairing metering installations where there are defects

PLUS ES supports the underlying objective of proposed NER clause 7.9A, namely, to ensure that defects in metering installations are promptly identified, communicated, and rectified in order to maintain the safety, accuracy and reliability of metering services. These outcomes support the NEO by promoting the efficient operation of electricity services for the long-term interests of consumers. However, while PLUS ES supports the intent of the proposal, it does not support the prescriptive process set out in proposed NER 7.9A.

#### Concerns with the proposed prescriptive process

PLUS ES considers that the proposed clause introduces an additional and highly prescriptive notification process that risks duplicating existing arrangements without demonstrating a commensurate benefit. For small customer metering installations, there is already an established and well-understood defect notification process operating across the market, including obligations on MCs and retailers to identify, record, and manage metering defects. Further, the likelihood of defects being identified through inspection or testing activities is expected to be relatively low following a smart meter installation, which further reduces the justification for introducing a separate notification framework.

Requiring a new, standalone process under NER 7.9A would oblige MCs, retailers, and potentially AEMO to design, implement, and maintain parallel systems and procedures to manage essentially the same outcome. This duplication increases administrative burden, system complexity, and implementation costs, without clearly improving defect rectification performance or consumer outcomes.

#### Retailer interest irrespective of MC appointment

PLUS ES also notes that the proposed drafting does not sufficiently recognise that, irrespective of who appoints the MC, the retailer associated with the NMI is financially invested in, and materially impacted by, metering defects. Retailers remain exposed to billing inaccuracies, customer remediation costs, complaint handling, and broader compliance risks, regardless of appointment arrangements.

Accordingly, any 'defect' notification framework should ensure that retailers are appropriately informed and engaged, without creating artificial distinctions based on MC appointment pathways.

#### Alignment with the NEO and market efficiency

From a market efficiency perspective, PLUS ES considers the proposed NER 7.9A process is not well aligned with the NEO, as it risks increasing compliance costs and regulatory complexity by requiring participants to implement new and discrete processes where functional arrangements already exist.

More efficient regulatory outcomes would be achieved by leveraging existing frameworks, minimising duplication, and allowing market participants to apply consistent, scalable processes across metering obligations.

#### Recommendations

PLUS ES recommends that the AEMC:

- Retain the objective of proposed NER 7.9A, but revise the drafting to avoid mandating a new, prescriptive defect notification process where suitable processes already exist.
- Leverage the existing small customer metering defect notification framework, rather than introducing a parallel regime, by clarifying and enhancing notification expectations within current arrangements.
- Ensure the framework explicitly recognises the retailer's ongoing financial and compliance interest, irrespective of MC appointment arrangements.

PLUS ES submits that adopting these recommendations would better advance the NEO by improving market efficiency, reducing unnecessary regulatory burden, and achieving the policy intent without imposing duplicative or disproportionate compliance obligations.

#### 4. Effective Go live Dates

PLUS ES notes the current proposed effective go-live date of April 2027 may not adequately account for the time required to complete AEMO and IEC consultation finalisation and implementation activities required for the proposed draft rules.

In PLUS ES view, a minimum of six months is required to complete consultation, followed by at least six months for implementation. This implementation period is necessary to allow market participants to design, build, test and deploy required system, process and contractual changes. This remains the case even where many existing processes are leveraged in line with our recommendations to promote efficiency and minimise duplication. While leveraging existing frameworks may reduce complexity, some level of system, procedure and compliance change will still be required, particularly to ensure consistency with revised obligations, reporting and oversight arrangements.

An additional consideration in the effective date, delays or compressed implementation timeframes may have unintended regulatory consequences. In particular, prolonged transitional arrangements would increase the period during which MCs remain subject to heightened monitoring and compliance oversight by the AER. Extended monitoring without clear, settled end-state obligations creates inefficiency and regulatory uncertainty, increasing compliance costs without delivering commensurate improvements in outcomes.

Accordingly, we propose an effective go-live date should be at least 12 months following the Commission's final determination. To support further market efficiencies, potentially align with AEMO's subsequent release post final determination.

Providing sufficient lead time for a clear and orderly implementation will reduce delivery risk, support consistent compliance, and minimise the need for sustained regulatory oversight during transition. PLUS ES considers this approach better supports market certainty and efficient operation of the metering framework.

## APPENDIX C – FEEDBACK TO SPECIFIC NER CLAUSES

The table below contains PLUS ES’s feedback to specific clauses as indicated, for the AEMC’s consideration.

NER	
Clause	PLUS ES feedback
7.2.1 (a)(1)	<p>PLUS ES recommends the AEMC extend the referencing of this subclause to include NER clauses 7.6.1 and the proposed 7.6.2A in addition to 7.6.2. This change would ensure that the FRMP’s responsibility is expanded beyond the MC appointment in ensuring, especially where obligation compliance for a connection point is influenced by customer behaviour, that:</p> <ul style="list-style-type: none"> <li>• The MC’s assumption and performance of responsibilities under 7.6.1 is effective; and</li> <li>• The conditions, limitations, or mechanisms described in 7.6.2A are satisfied or complied with.</li> </ul>
7.6.2A Obligation of retailers and other persons who appoint Metering Coordinators	<p>PLUS ES generally supports the inclusion of the proposed clause and the associated civil penalty as an incentivisation. It is our belief that there is a gap in instances where the customer continues to create barriers to required metering activities despite reasonable attempts at engagement, and civil penalties alone may not provide an effective or timely incentive for cooperation. <i>Refer to Appendix B1 for further details.</i></p>
7.6.2A(a)(1)	<p>PLUS ES recommends that this subclause includes a reference to NER subclause 7.6.1(a), in addition to subclause 7.6.2(a). Including this reference would ensure that both the correct appointment of the MC and the existence of commercially agreed arrangements between the MC and the appointing entity are expressly captured. This, in turn, would establish these matters as relevant criteria in determining the circumstances in which the ‘appointing’ entity is required to provide reasonable assistance to enable the MC to comply with its obligations under the Rules.</p>
7.6.2A(b)(1)	<p>PLUS ES has concerns for the use of the wording ‘agreeing the date’ in the following: ‘..., including by agreeing the date on which the <i>supply</i> interruption will take place...’.</p> <p>As drafted, the phrase implies that the supply interruption date is discretionary or can be set to an excessive time into the future. In practice, this is not the case. Supply interruption dates cannot be arbitrarily set, deferred, or repeatedly rescheduled by the customer, as MCs are subject to prescribed timeframe obligations under the Rules.</p> <p>We propose alternative wording such as: ‘...including by confirming a date, consistent with meeting applicable MC timeframe obligations, on which the supply interruption will take place...’</p>
7.6.2A(b)(1)	<p>Aligned with earlier feedback provided in Appendix B1, PLUS ES is concerned that while the provision enables a MC to seek support from the retailer (where the retailer has appointed the MC), it also exposes the retailer to potential civil penalty risk in circumstances where the retailer’s customer does not facilitate access to the metering installation, particularly in the absence of a clear incentive to do so.</p>
7.8.10(b1) (2)(i)	<p>PLUS ES is broadly supportive of the addition of this clause, as it provides further clarity, but does not support the wording ‘for a period determined by AEMO’. As drafted, this wording confers a broad and indeterminate discretion that does not require AEMO to review or amend extension settings within its exemption procedures.</p> <p>Following the Accelerated Smart Meter Deployment (ASMD) rule change and the revised meter malfunction exemption timeframes, AEMO undertook consultation on updated malfunction exemption procedures. Throughout this process, retailers and especially metering parties raised concerns that aspects of the proposed arrangements did not adequately reflect operational realities and increased civil penalty exposure for MCs,</p>

	<p>particularly where delays arise from factors outside their reasonable control. Considerable engagement (via written submission, meetings and seeking legal advice) was required to seek alignment between procedural settings and field-based practicalities.</p> <p>While AEMO subsequently introduced limited concessions recognising certain exemption scenarios, the resulting framework does not allow for extensions beyond 15 business days in cases of third-party dependencies, except for instrument transformer provisioning. This outcome does not reflect the nature of delays commonly experienced where compliance is constrained by customer behaviour, geographical topography, or other external dependencies.</p> <p>Metering service provider operational models promote remote services and minimisation of site visits once a meter has been installed, while acknowledging that practical barriers will arise. PLUS ES recognises AEMO’s objective to prevent inappropriate reliance on exemption processes; however, proposals put forward by industry to balance this objective with practical extension mechanisms and appropriate safeguards were not adopted.</p> <p><b>Recommendation</b></p> <p>The following recommendations address issues relating to procedural discretion, accountability, and the practical application of compliance obligations within the metering framework:</p> <ul style="list-style-type: none"> <li>• Replace the phrase ‘for a period determined by AEMO’ with wording that anchors discretion to the Rules and published procedures, for example: <p>‘for a period determined by AEMO in accordance with the Rules and AEMO’s procedures, having regard to relevant operational constraints and dependencies.’</p> <p>This approach is consistent with existing NER drafting and constrains discretion through established governance parameters; and</p> </li> <li>• Permit MCs to obtain exemption extensions where delays arise from third-party dependencies outside the MC’s reasonable control, with extensions commensurate to the circumstances and continuing for so long as the dependency persists. Limiting relief to fixed or short-term periods, such as 15 business days, imposes ongoing administrative burden without improving compliance outcomes and does not appropriately align accountability with controllability.</li> </ul>
7.9.1 (m)-(q)	<p>PLUS ES supports the initiative of the proposed clauses in recognising that MCs should not automatically be deemed in breach where compliance has been hindered by circumstances beyond their control. However, as per our feedback in Appendix B2, we support an exception-based framework—grounded in established MIT precedents and reinforced through regular audit oversight—would deliver greater regulatory certainty, minimise administrative burden, and better advance the NEO by supporting efficient compliance outcomes without introducing unnecessary procedural complexity or subjective exemption determinations.</p>
7.9.1(o)(2)	<p>If the exemption framework is retained, PLUS ES does not support the inclusion of the wording ‘for a period determined by AEMO’. As outlined in the feedback on NER clause 7.8.10(b1) (2)(i), such discretion introduces subjectivity and regulatory uncertainty, particularly where the underlying circumstances giving rise to the exemption, namely, third-party non-cooperation, remain unchanged.</p> <p>Consistent with that feedback, we consider that time-limited exemptions determined at AEMO’s discretion expose MCs to renewed breach risk at the conclusion of an exemption period, despite no material change in circumstances and notwithstanding that the MC has continued to take reasonable steps to comply. This approach undermines predictability, imposes ongoing administrative burden, and is not conducive to efficient compliance outcomes.</p> <p>Accordingly, we maintain that any exemption or relief mechanism should be based on objective, clearly defined criteria, rather than discretionary timeframes, to provide certainty for MCs and to ensure that responsibility for non-cooperation remains appropriately allocated.</p>

7.9.1(p)(2)

PLUS ES has material concerns with the proposed requirement that, as part of an exemption application, a MC must 'include in its application a proposed schedule for the testing and inspection required by Schedule 7.6.1', particularly when considered alongside the associated civil penalty exposure.

While we understand the intent of this requirement is to demonstrate that the MC has a plan to complete outstanding testing and inspection activities, in practice the requirement fails to account for circumstances where the critical limiting factor is customer or retailer non-cooperation, rather than any deficiency in MC planning or capability.

Where access to the metering installation is being refused or unreasonably delayed, any proposed schedule provided by the MC is inherently speculative. In such circumstances, the MC has no control over whether the proposed dates can be met, regardless of how reasonable or conservative the schedule may be.

For example, an MC may propose a testing and inspection date six months in the future, reflecting a realistic assessment of when access might reasonably be achieved. That proposed schedule may be accepted by AEMO as part of the exemption decision. However, if six months later the customer continues to refuse access, the MC is once again exposed to non-compliance with the NER, despite there being no change in circumstances and no failure on the part of the MC. Critically, the MC has no regulatory lever to compel access and no ability to unilaterally resolve the impediment.

This outcome highlights a fundamental flaw in linking compliance relief to a forward-looking schedule in situations where delivery of that schedule is dependent on third-party behaviour. Rather than facilitating compliance, the provision risks creating a recurring cycle of technical non-compliance driven solely by factors outside the MC's control.

#### Concerns regarding the associated penalty framework

We also seek clarification regarding the operation of the proposed penalty associated with this clause. Specifically, it is unclear in what circumstances the penalty is intended to apply. For example, where:

- No proposed schedule is provided as part of the exemption application; or
- A proposed schedule is provided, but the information is later assessed as inaccurate, unrealistic, or ultimately not achieved due to ongoing access refusal, etc.

If the penalty is intended to apply where no schedule is provided, this would already be addressed through the exemption framework itself, as the absence of a required schedule would presumably result in the exemption being rejected. In those circumstances, the MC would simply not receive the benefit of the exemption, and the imposition of an additional civil penalty would appear duplicative and disproportionate.

If, alternatively, the penalty is intended to apply where a schedule is provided but later not met, we consider this outcome inappropriate where non-compliance arises from continued third-party non-cooperation rather than any misleading conduct or lack of diligence by the MC. Penalising MCs for the failure of a conjectural schedule, prepared in good faith and dependent on factors outside their control, risks undermining the objective of the exemption framework itself.

We support that:

- Requiring a proposed schedule in circumstances where access is not assured does not meaningfully improve compliance outcomes;
- Linking relief from breach to speculative future dates exposes MCs to ongoing and unavoidable compliance risk; and
- The operation of penalties in respect of this clause requires clear limitations and clarification to ensure they do not apply where an MC has acted reasonably and provided information in good faith.

Absent of such clarification and appropriate safeguards, PLUS ES considers the proposed clause and associated penalty may operate in a manner inconsistent with efficient, proportionate regulation and the NEO.

	<p><b>Recommendation</b></p> <p>For the reasons set out above, PLUS ES recommends that, if the exemption obligations are to be retained, NER clause 7.9.1(p)(2) and the associated proposed civil penalties should be removed.</p>
<p>7.9A - Notice procedure for testing, inspecting and repairing metering installations where there are defects</p>	<p>PLUS ES supports the intent the inclusion of this clause is trying to achieve. However, we believe there is an existing defect process in the NERR which could be leveraged and mirrored. Please see feedback in Appendix B3.</p>