Australian Energy Market Commission

AEMC
Australian Energy Market Commission

DETERMINATION

Rule determination

National Electricity Amendment (Supporting compliance with meter maintenance obligations) Rule 2026

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PLUS ES
AEMO
Intellihub

18 June 2026

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About the AEMC

The AEMC reports to the energy ministers. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the energy ministers.

Acknowledgement of Country

The AEMC acknowledges and shows respect for the Traditional Custodians of the many different lands across Australia on which we live and work. The AEMC office is located on the land of the Gadigal people of the Eora nation. We pay respect to all Elders past and present, and to the enduring connection of Aboriginal and Torres Strait Islander peoples to Country.

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Summary

1 The Australian Energy Market Commission (AEMC, or the Commission) has made a more preferable final electricity rule (final rule) to support metering coordinators (MCs) to meet their meter maintenance obligations in response to rule change requests submitted by Yurika, PLUS ES, the Australian Energy Market Operator (AEMO) and Intellihub. The Commission determined that no retail rule was required.

2 The rule change requests argued that MCs find it challenging to meet their obligations to test and inspect metering installations and repair malfunctions within timeframes specified by the National Electricity Rules (NER).

3 The Commission considers that meeting the timeframes specified in the NER is outside of MCs' control where:

- MCs are unable to access the metering installation or arrange activities needed for meter testing, inspection and repair, including supply interruptions
- there is a defect at a small or large customer's metering installation that is not promptly rectified.

4 To support MCs in resolving challenges and improving compliance, the final rule will amend the NER to:

- introduce an obligation on the person who appoints an MC (generally, retailers or large customers) to support MCs in meeting their meter testing, inspection and repair obligations
- expand the exemption framework for meter malfunctions and introduce an exemption framework only for testing metering installations and not for inspecting them, to allow MCs greater flexibility to manage situations where a metering installation is not accessible, safe or ready. This is a change from the draft rule, which also introduced an exemption framework for inspecting metering installations
- introduce an obligation for previous MCs to share test certificates
- introduce an obligation on MCs to make information on the compliance status of meters available in accordance with AEMO's Market Settlement and Transfer Solutions (MSATS) procedures.

5 The final rule includes minor changes from the draft rule to improve the workability of the framework for testing, inspection and repair of metering installations.

6 The Commission considers the final rule will be in the long-term interest of consumers. Requiring retailers or large customers, where relevant, to support MCs to meet their meter maintenance obligations will increase the number of meters being tested, inspected and repaired, and result in more accurate meters. This will improve the overall accuracy of customer billing and market settlement, thereby reducing unaccounted for energy (UFE).

7 The exemption frameworks under the final rule recognise that MCs face circumstances beyond their control, and it gives MCs more flexibility to test metering installations and repair malfunctions, and to manage situations where a metering installation is not accessible, safe or ready. These changes under the final rule will also mitigate the risk that MCs may be penalised for non-compliance with their obligations due to site issues beyond their control (eg, lack of site access and defects at a metering installation).

8 We no longer consider an exemption framework should apply to meter inspections, because MCs already have some flexibility to meet their inspection obligations through their asset management

strategy under the existing arrangements.

9 Establishing a requirement for MCs to share test certificates creates efficiency through avoiding unnecessary testing costs. Additionally, a new obligation to track and share the compliance status of metering installations will improve efficiency by providing additional transparency and information to AEMO and participants. As a whole, the final rule will enhance the efficiency of meter maintenance arrangements while improving the accuracy of energy data across the National Energy Market (NEM).

10 The commencement of the final rule is staged:

- From 1 September 2026, MCs must share meter accuracy test certificates, where available, with the new MC at a metering installation.
- By 1 June 2027, AEMO must publish relevant procedures to support the introduction of the new and amended exemption frameworks.
- From 1 September 2027:
  - the person who appoints an MC (generally, retailers or large customers) must support MCs in meeting their meter maintenance obligations
  - MCs may apply for an exemption for testing and repair obligations in accordance with the new requirements under the final rule.
- From 1 November 2027, participants must support a new defect notification and tracking process for metering installations.
- From 30 November 2028, MCs must share information on the compliance status of metering installations.

Stakeholders broadly supported the draft rule to support MCs to meet their testing, inspection and malfunction rectification obligations

11 The Commission considered 16 stakeholder submissions to the draft determination, in addition to holding several bilateral and multilateral meetings with retailers, metering parties and AEMO. Findings from our *Review of the regulatory framework for metering services* (*Metering review*) and decisions in our *Accelerated deployment of smart meters* rule change (*Accelerating smart meters* rule change) also informed our final position.

12 Stakeholders broadly supported the draft determination. Stakeholders agreed that an obligation on the person who appointed the MC (retailer or large customer) to support MCs with their testing, inspection or repair obligations is beneficial, but sought greater clarity on what the obligation would entail.

13 There were mixed views on the draft exemption frameworks. Stakeholders agreed that MCs should not be penalised where access, safety or site readiness prevents compliance. Some suggested an alternative approach or changes to the draft exemption frameworks:

- MCs suggested enabling exceptions to the NER obligations is more appropriate and would reduce MCs' non-compliance risk
- MCs also considered that, due to some practical challenges with family failures, MCs should be allowed more time to repair family failures
- AEMO considered MCs should not be allowed to apply for an exemption to inspect the meters because, in most cases, MCs can use alternative approaches to inspecting a metering installation and would not have to physically inspect the metering installation, which is when challenges may arise.

14 Some stakeholders also suggested other changes, including:

- improving transparency on MCs' compliance status or exemption process for monitoring
- aligning the process and responsibilities for notifying customers of site defects with a similar existing process
- amendments to the commencement date of the final rule to better support implementation
- introducing an obligation for MCs to share meter compliance status with the market.

15 Our *Accelerating smart meters* rule change amended malfunction rectification timeframes to improve the timeliness of malfunctions being repaired. That rule change made a number of changes to reduce delays in meter replacements or repairs that could otherwise directly impact customer bills, and improve compliance with the timeframe requirements for replacing malfunctioning meters in order to prevent a backlog of malfunctioning meters in AEMO's exemption register. Our final rule maintains the *Accelerating smart meters* rule change's intended outcomes, acknowledging that MCs can't resolve site issues beyond their control to repair malfunctions within NER and AEMO timeframes.

The final rule will support MCs to meet their meter testing, inspection and repair obligations

16 The final rule has three components:

1. new obligations on the person who appointed the MC (retailers or large customers)
2. new and revised exemption frameworks
3. information-sharing requirements on MCs.

17 The new obligations on retailers and large customers will:

- require them to facilitate a supply interruption at a connection point, including by agreeing the date on which the supply interruption will take place and facilitating access to the metering installation on that date, when requested by the MC
- require the retailer (if the retailer appointed the MC) to inform the customer of the date that the MC proposes to test, inspect or repair a metering installation and give any other information the customer needs to be ready for that work to be done, when requested by the MC
- require them to take reasonable steps to arrange for the defect to be rectified and inform the MC when it has been done, if the retailer or large customer becomes aware of a site defect.

18 These provisions in the final rule will ensure MCs have the support they need from retailers or large customers to be able to test and inspect more metering installations, and repair more malfunctions in a timely way in accordance with the NER. Our final rule will also require AEMO to provide further clarity on how retailers or large customers must support MCs under this provision.

19 The final rule requires AEMO to establish and administer a new exemption framework for meter testing requirements. The final rule also amends the existing exemption framework for malfunctions to better account for situations beyond the control of MCs.

20 Under these exemption frameworks, the end date of the exemption will be determined by AEMO on a case-by-case basis in accordance with AEMO's Exemption Procedure. MCs can apply for this type of exemption specifically where a metering installation is not:

- accessible - eg, where the MC is unable to access the premises or metering installation because the metering installation is behind a locked gate

- safe or ready for the MC to repair a malfunction - eg, where there is a defect at a metering installation, and the MC cannot test or repair the metering installation until the defect is rectified.

21 This change will provide MCs with more time to test metering installations and repair malfunctions, with support from retailers or large customers when site access is an issue. It will also mitigate the risk that MCs may be penalised for non-compliance with their obligations due to issues outside their control.

22 To support the sharing of test certificates, the final rule requires the previous MC appointed to a connection point to ensure that the test certificates for a metering installation, where available, are accessible to the new MC at a connection point within 10 business days upon the new MC's request.

23 To improve transparency on the compliance status of metering installations, the final rule requires MCs to make available information on the compliance status of the metering installation in accordance with AEMO's MSATS procedures.

24 In the long term, this final change will provide consumers with cost savings from avoiding unnecessary meter tests, which will outweigh implementation costs (eg, system build to enable certificate transfer) and the higher regulatory burden on MCs.

The final rule represents minor changes from the draft rule

25 Following stakeholder feedback and our own further analysis, we have made some changes between the draft rule and final rule. These changes are:

- **adding further clarity on how retailers or large customers must support MCs** - requiring AEMO to provide further detail on how retailers and large customers are expected to support MCs with their meter maintenance obligations in its procedures
- **removing inspections from the exemption framework** - not to introduce an exemption framework for inspection requirements, but to introduce an exemption framework for testing requirements
- **improving transparency on the compliance status of metering installations** - the final rule introduces a requirement for MCs to make available information on the compliance status of the metering installation regarding testing, inspection and repair requirements in accordance with AEMO's MSATS procedures. We expect the MSATS procedures to specify the information on the compliance status MCs must make available through MSATS. AEMO must update the MSATS procedures by 1 November 2027.
- **refining responsibilities in the defect notification and tracking process** - making the final rule clear that:
  - MCs who are appointed by a large customer are responsible for notifying large customers of defects at metering installations and requesting large customers rectify the defect.
  - Retailers who appointed the MC are responsible for notifying small or large customers of a defect at a metering installation and requesting them to rectify the defect.
  - Until the defect at the metering installation is rectified, the MC is not subject to the timeframes for inspecting, testing and repairing the metering installation. This is similar to the existing defect notification and tracking process for meter installations.[1]

1 Rule 59AAA of the NERR.

- **changes to implementation dates** - we proposed the draft rule would commence on 1 April 2027. After considering implementation concerns raised by stakeholders, our final rule will commence in stages:
  - Previous MCs must share test certificates, where available, with the new MC at a metering installation from 1 September 2026.
  - By 1 June 2027, AEMO must develop procedures for the exemption frameworks for malfunctions and testing requirements.
  - From 1 September 2027:
    - the person who appoints an MC (generally, retailers or large customers) must support MCs in meeting their meter maintenance obligations
    - MCs may apply for an exemption for testing and repair obligations in accordance with the new requirements under the final rule.
  - The defect notification and tracking process for meter testing, inspection and malfunction repair for small and large customers' metering installations would commence on 1 November 2027. This commencement date accounts for the industry to make system changes, including industry/Information Exchange Committee (IEC) consultation on B2B procedures.
  - MCs must make information on the compliance status of metering installations accessible to market participants from 30 November 2028. This effective date accounts for time required for AEMO to update its industry systems and processes (MSATS).

The final rule will promote the National Electricity Objective (NEO)

26 The Commission has considered the NEO[2] and the issues raised in the rule change requests, and assessed the final rule against four assessment criteria outlined below. We gathered and analysed stakeholder feedback in relation to these criteria, noting there were no changes to the criteria based on stakeholder feedback to the consultation paper.

27 The more preferable final rule will contribute to achieving the NEO by:

- **Promoting better outcomes for consumers in the long term.** The final rule introduces additional obligations on retailers (who appointed the MC) by requiring them to notify and provide information to customers about MC meter maintenance activities. Additionally, the party that appointed the MC (retailers or large customers) will be obliged to assist in coordinating meter maintenance activities. Adding these obligations to the Rules will help MCs meet their obligations as MCs secure the support they need from retailers and large customers to carry out activities to test, inspect and repair meters. In turn, this will increase the proportion of compliant and accurate meters, which is in the long-term interests of consumers.
- **Promoting safety, security and reliability.** The final rule will introduce an exemption framework for testing, and amend the existing malfunctions exemption framework. One key component of the exemption frameworks in the final rule is grounds for an exemption when a metering installation is not accessible, safe or ready for the MC to test or repair. Adding this condition may help MCs manage potential safety threats when seeking to meet their metering maintenance obligations, as MCs can seek an exemption where there are safety risks at the premises or metering installation.

2 Section 7 of the National Electricity Law.

- **Promoting principles of market efficiency.** The final rule will improve the efficiency of MC operations by assisting MCs to get the support they need from retailers and large customers to fulfil meter maintenance activities. The final rule will also help avoid unnecessary and duplicative costs for new MCs, as they will not need to re-test a metering installation if it has already been tested by the previous MC within the relevant timeframe. From having better visibility of the compliance status of metering installations, AEMO and market participants will be able to support the implementation of the rule change and have ongoing monitoring over MCs' compliance with their obligations.
- **Supporting a smooth implementation.** The final rule will minimise implementation costs by building on existing frameworks and processes, such as the malfunctions exemption framework and the notification and tracking process for site defects that prevent meters being installed. The Commission has also opted to adopt an outcomes-based approach for the requirement for MCs to share testing certificates. That is, the final rule does not prescribe a method or means by which MCs must share testing certificates. The final rule seeks to minimise implementation complexity by setting out clear roles and processes for market participants and AEMO.

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1 The Commission has made a final determination

The Australian Energy Market Commission (AEMC, or the Commission) has made a more preferable final electricity rule in response to the rule change requests submitted by Yurika, PLUS ES, the Australian Energy Market Operator (AEMO) and Intellihub (the proponents). The more preferable final electricity rule is referred to as the final rule for the purposes of this final determination.

The final rule seeks to support metering coordinators (MCs) to comply with their obligations under the national electricity rules (NER) to:

- test meters
- repair meter installation malfunctions
- obtain recent test certificates.

This chapter provides an overview of the final rule, how it will deliver net benefits, and stakeholder views that shaped our final determination.

1.1 Our final rule will improve the efficiency of meter maintenance arrangements

It is important for metering installations to function correctly so that customer billing and market settlement are accurate.

Under existing arrangements, MCs are responsible for ensuring that metering installations are tested and inspected, and repaired where there is a malfunction (see appendix C for more information on roles and responsibilities). MCs must ensure this is done under specified timeframes in the NER or in accordance with AEMO Procedures. These requirements support the accuracy of the data used to bill customers, settle markets, and operate the system. Section 2.1 and 3.1 of the consultation paper outlined existing arrangements in more detail.[3]

1.1.1 It can be challenging for MCs to test and inspect metering installations and repair malfunctions within the required timeframes in some circumstances

The proponents raised that MCs find it challenging to comply with their obligations to:

- test and inspect large customers' high voltage (HV) metering installations within specified timeframes in the NER, where retailers and large customers do not support MCs to:
  - arrange supply interruptions
  - ensure a premises is accessible, safe or ready
  - recover costs for meter maintenance work.
- repair malfunctions for small and large customers' metering installations within specified timeframes in AEMO's Exemption Procedure, where:
  - premises are not accessible, safe or ready
  - there are family failure malfunctions.

The Australian Energy Regulator (AER) has agreed to a number of compliance plans, whereby the relevant MCs commit to ensuring that their large customers' HV metering installations are tested as per NER obligations. As MCs have made efforts to comply with the compliance plans and through consultation with MCs, the AER found that:

3 AEMC, Supporting compliance with meter maintenance obligations, Consultation paper, 4 December 2025.

- It was difficult for MCs to ensure metering installations comply with the NER testing requirements.
- While these MCs have improved compliance levels, many factors have impacted MC's ability to achieve full compliance.

This means many metering installations are not fully compliant with the performance and accuracy requirements in the NER, leading to potential inaccuracies in customer billing and market settlement. Further, MCs bear the non-compliance risk of enforcement action brought by the AER in these circumstances.

Intellihub's rule change request also raised that the current process for obtaining test certificates for HV voltage transformers (VT) or current transformers (CT) is inefficient, as new MCs at a metering installation do not have access to the previous testing certificate for the site. This may result in MCs testing sites when it is not necessary to do so.

1.1.2 Our final rule will support MCs to test and inspect metering installations and repair malfunctions within specified timeframes in the NER

Our final rule will place an obligation on the person who appointed the MC (retailer or large customer, as applicable) to provide reasonable assistance and cooperation to support MCs in carrying out their obligations to test and inspect metering installations, and repair malfunctions within specified timeframes in the Rules. This includes:

- facilitating supply interruptions so that the sites are ready, including by agreeing the date on which the supply interruption would take place and facilitating access to the metering installation on that date, when requested by the MC
- informing customers of any defects at a metering installation, so that customers can take the necessary steps to rectify the defect (eg, engage an electrician) and ensure metering installations are safe and ready.

Our final rule will require AEMO to provide further detail on how retailers and large customers are expected to support MCs with their meter maintenance obligations in its procedures.

These changes under our final rule will support accuracy in customer billing and market settlement. This is by assisting MCs to secure the support they need from the person who appointed the MC (retailer or large customer, as applicable) to be able to test and inspect metering installations and repair malfunctions, and MCs to ensure the metering installations are compliant with performance and accuracy requirements under the NER.[4]

Our final rule recognises that, in addition to support from the person who appointed the MC (retailer or large customer, as applicable), there may be circumstances where MCs are unable to test or repair metering installations within timeframes specified in the NER. Specifically, where premises are not accessible, safe or ready for the MC to test or repair malfunctions to meet their obligations. As explained in section 1.2.2, it is the customer's responsibility to resolve any issues with the premises.

Our final rule will enable MCs to seek an exemption with a longer period than specified in AEMO's Exemption Procedure to test and repair metering installations. To minimise the risk that an exemption applies indefinitely, our final rule will require MCs to maintain efforts to overcome site

4 The metering provider's (MP's) role is to install, operate and maintain the meters. The MC's role is to coordinate the provision of metering services, such as installing meters and repairing malfunctions. The MC is responsible for ensuring metering installations are tested and inspected, and malfunctions are repaired in accordance with the NER. The role of the MP and MC can be done by the same business.

issues, including seeking support from the person who appointed the MC (retailer or large customer as applicable), during the exemption period. Our final rule will achieve this by:

- requiring MCs to provide AEMO with a malfunction rectification plan at the time of applying for an exemption, as per the existing requirement,[5] or a testing plan.[6] This will provide AEMO with transparency on how MCs are maintaining efforts to test a metering installation
- allowing AEMO to revoke an exemption where it considers it appropriate, and where there is no clear rationale from the MC to retain an exemption.

Different to our draft rule, MCs would not be able to apply for an exemption to inspect the metering installation. This is because MCs already have some flexibility to meet their inspection obligations through their asset management strategy under existing arrangements.

To improve transparency about the testing, inspection or repair processes, our final rule will:

- introduce an obligation for previous MCs to share accuracy test certificates with the new MC at a metering installation. This will minimise unnecessary and duplicative costs for testing requirements
- require MCs to make information on the compliance status of the metering installation regarding testing, inspection and repair requirements available in accordance with AEMO's MSATS procedures.

Our final rule is explained in detail over three chapters:

- Chapter 3 explains the requirements on the retailer or large customer to provide reasonable assistance and cooperation to MCs to test and inspect metering installations, and repair malfunctions in accordance with their requirements.
- Chapter 4 explains how MCs will be able to apply to AEMO for an exemption to testing and malfunction repair timing requirements.
- Chapter 5 explains new information-sharing and transparency requirements on MCs.

1.1.3 We have made some changes between the draft rule and the final rule

These changes for the final rule are:

- **adding further clarity on how retailers or large customers must support MCs** - requiring AEMO to provide further detail on how retailers and large customers are expected to support MCs with their meter maintenance obligations in its procedures
- **removing inspections from the exemptions framework** - not to introduce an exemption framework for inspection requirements, but to introduce an exemption framework for testing requirements
- **improving transparency on the compliance status of metering installations** - as a change since the draft rule, the final rule introduces a requirement for MCs to make available information on the compliance status of the metering installation regarding testing, inspection and repair requirements in accordance with AEMO's MSATS procedures. We expect AEMO's MSATS procedures to specify the information on the compliance status MCs must make available through MSATS. AEMO must update the MSATS procedures by 1 November 2027
- **refining responsibilities in the defect notification and tracking process** - making the final rule clear that:

5 Clause 7.8.10(c) of the NER.
6 Clause 7.9.1(p)(2) of the amending rule.

- MCs who are appointed by a large customer are responsible for notifying large customers of defects at metering installations and requesting large customers to rectify the defect.
- Retailers who appointed the MC are responsible for notifying small or large customers of a defect at a metering installation and requesting them to rectify the defect.
- While an MC is waiting for a defect at a metering installation to be rectified, it is not subject to the timeframes to test, inspect or repair metering installations.

- **changes to implementation dates** - we proposed the draft rule would commence on 1 April 2027. After considering implementation concerns raised by stakeholders, our final rule will commence in stages:
  - Previous MCs must share accuracy test certificates, where available, with the new MC at a metering installation from 1 September 2026.
  - By 1 June 2027, AEMO must develop procedures for the exemption frameworks for malfunctions and testing requirements.
  - From 1 September 2027:
    - the person who appoints an MC (generally, retailers or large customers) must support MCs in meeting their meter maintenance obligations
    - MCs may apply for an exemption for testing and repair obligations in accordance with the new requirements under the final rule.
  - The defect notification and tracking process for meter testing, inspection and malfunction repair for small and large customers' metering would commence on 1 November 2027. This commencement date accounts for the industry to make system changes, including industry/Information Exchange Committee (IEC) consultation on B2B procedures.
  - MCs must make information on the compliance status of metering installations accessible to market participants from 30 November 2028. This effective date accounts for the time required for AEMO to update its industry systems and processes (Market Settlement and Transfer Solutions).

1.2 Stakeholder feedback and the AEMC's *Review of the regulatory framework for metering services (Metering review)* shaped our determination

The Commission considered stakeholder input and feedback to the draft determination and from a number of bilateral and multilateral stakeholder meetings, including briefings with retailers, MCs and AEMO.[7]

The Commission also considered relevant findings from the AEMC's *Review of the regulatory framework for metering services* (*Metering review*).

Appendix A provides further detail on the rule-making process.

1.2.1 Stakeholders broadly supported the intent of the draft determination, citing implementation considerations to improve the practical implementation of the draft rule

Stakeholders broadly supported the intent of the draft determination and draft rule to improve MCs' compliance with their testing, inspection and repair obligations, and support accuracy in customer billing and market settlement.[8] As outlined below, some stakeholders suggested minor

7 We received 16 submissions to the draft determination.

8 Submissions to the draft determination: AER, p. 1; AEMO. p. 1; EUAA, p. 1; Bluecurrent, p. 1; PLUS ES. p. 1; Intellihub, p. 1; SAPN, p. 1; Energy Queensland, p. 1; Stanwell, p. 4; Solstice Energy, p. 1; Origin, p. 1; AGL, p. 1; EnergyAustralia, p. 1.

changes for the final determination and final rule to support implementation and compliance by retailers, large customers and MCs.

There was broad support for introducing an obligation on the person who appointed the MC (retailer or large customer) to support MCs with their testing, inspection or repair obligations, but some sought more prescription

Stakeholders generally supported requiring retailers or large customers to support MCs with their testing, inspection and rectification obligations to reduce MCs' need for an exemption.[9] However, several stakeholders suggested more prescription on the exact requirements on how retailers or large customers must support MCs to mitigate inconsistent interpretations among the industry and compliance and enforcement challenges.[10]

Stakeholders broadly supported giving MCs greater flexibility to meet their metering obligations, but some raised implementation considerations or compliance concerns

Stakeholders generally supported allowing MCs to apply to AEMO for an exemption to avoid being penalised where access, safety or site readiness prevents MCs from meeting their testing, inspection or repair requirements.[11] However, most metering parties suggested an alternative approach or minor changes to further reduce MCs' non-compliance risk in these circumstances (see section 4.3.1 for more details). AEMO and the Justice and Equity Centre (JEC) provided implementation considerations to further support the rule change's intent and to avoid further or ongoing delays in testing, inspecting or repairing metering installations.[12]

Several stakeholders sought refinements or clarification on the process for notifying customers of site defects

Stakeholders generally supported introducing a site defect notification and tracking process for situations where a site defect prevents MCs from testing, inspecting or repairing metering installations. However, these stakeholders suggested aligning the process and responsibilities with an existing and similar process under existing arrangements to minimise duplication and system change costs.[13] EnergyAustralia and AGL sought clarification on retailers' responsibilities.[14] Origin opposed the process, preferring a principle-based requirement.[15]

Stakeholders supported introducing an obligation for previous MCs to share the most recent test certificate, where available, with the new MC at a metering installation

Several stakeholders expressed support for requiring previous MCs to share the accuracy test certificates, where available, with the new MC at a metering installation.[16] Energy Users' Association of Australia (EUAA) suggested it will improve the efficiency of the overall process for obtaining test certificates.[17] EnergyAustralia considered the new requirement to be a practical

9 Submissions to the draft determination: Intellihub, p. 3; Stanwell, p. 3; Solstice Energy, p. 1; EUAA, p. 2; Bluecurrent, p. 1; PLUS ES, p. 3; Energy Queensland p. 3; Origin, p. 2; AGL, p. 3; EnergyAustralia, p. 1.

10 Submissions to the draft determination: EUAA, p. 2; Bluecurrent, p. 1; PLUS ES, p. 3; Energy Queensland p. 3; Origin, p. 2; AGL, p. 3; EnergyAustralia, p. 1.

11 Submissions to the draft determination: AER, p. 2; EUAA, p. 1; Bluecurrent, p. 1; PLUS ES, pp. 1, 4; Intellihub, p. 3; Energy Queensland, p. 7; Stanwell, p. 4; Solstice Energy, p. 1; AGL, p. 4.

12 Submissions to the draft determination: AEMO, pp. 2-4; JEC, p. 1.

13 Submissions to the draft determination: Bluecurrent, p. 1; PLUS ES, p. 1; Intellihub, p. 4; Energy Queensland p. 4. The final rule of the *Accelerating smart meter deployment* rule change introduced a site defect notification and tracking process to support the efficient deployment of more smart meters.

14 Submissions to the draft determination: EnergyAustralia, p. 3; AGL, pp. 3-4

15 Origin, submission to the draft determination, p. 3.

16 Submissions to the draft determination: EUAA, p. 1; Intellihub, p. 2; Stanwell, p. 4; AGL, p. 5; EnergyAustralia, p. 1.

17 EUAA, submission to the draft determination, p. 1.

measure that avoids unnecessary and duplicative testing costs where a metering installation has already been verified as compliant.[18]

A few stakeholders suggested measures to improve transparency or monitoring of MCs

AEMO viewed that exemptions should not deter MCs from resolving underlying issues (eg, access constraints) preventing compliance and suggested stronger transparency and monitoring on whether metering installations are compliant with requirements under the NER.[19] Stanwell noted this transparency in metering compliance information may also address the issue of customers churning MCs to avoid metering compliance obligations.[20] JEC viewed there should be strong transparency and oversight over the exemption process to monitor MCs' need for exemptions.[21]

Some stakeholders had mixed views or disagreed with the draft position on family failures and an obligation on distribution network service providers (DNSPs)

Stakeholders had mixed views on the draft position not to allow MCs more flexibility to repair family failures within specified timeframes in the NER and AEMO's Exemption Procedure. While Energy Queensland and EUAA supported the draft position, two metering parties disagreed that MCs can effectively manage family failures within the required timeframes.[22]

The AER considered there should still be a new requirement on DNSPs and transmission network service providers (TNSPs) to support MCs to test, inspect or repair metering installations. The AER suggested this would encourage further compliance with these obligations.[23]

1.2.2 Findings from AEMC's *Metering review* and intent of the *Accelerated deployment of smart meters* rule change informed our final rule

Our *Metering review* acknowledged that it is the customers' responsibility to rectify defects at a metering installation

Our *Metering review* identified that in most jurisdictions, customers are responsible for undertaking remediation to provide a site that enables MCs to replace a malfunction or install a meter. However, customers often face financial barriers to rectifying these issues, as they face upfront costs of engaging an electrical contractor, which can be significant. Further, metering parties and retailers are not able to oblige the customer to undertake remediation without the customer's consent. This can lead to low levels of remediation. [24]

Our final rule will enable MCs to have greater flexibility to manage situations where premises are not accessible, safe or ready, and to comply with their obligations to test metering installations and repair malfunctions within specified timeframes under current arrangements. This is by allowing MCs to apply to AEMO for an exemption in these circumstances.

18 EnergyAustralia submission to the draft determination, p. 1.
19 AEMO, submission to the draft determination, p. 4.
20 Stanwell, submission to the draft determination, p. 4.
21 JEC, submission to the draft determination, p, 2.
22 Submissions to the draft determination: EUAA, p. 1; Energy Queensland, p. 6; Bluecurrent, p. 5; PLUS ES, p. 4.
23 AER, submission to the draft determination, p. 3.
24 AEMC, Metering review final report, 30 August 2023, pp. 89,90.

Our Accelerating smart meters rule change amended malfunction rectification timeframes to improve the timeliness of malfunctions being repaired

As outlined in section 3.1.1 of the consultation paper, our *Accelerating smart meters* rule change made a number of changes to:[25]

- reduce delays in meter replacements or repair that could otherwise directly impact customer bills
- improve compliance with the timeframe requirements for replacing malfunctioning meters in order to prevent a backlog of malfunctioning meters in AEMO's exemption register
- reduce administrative costs on AEMO incurred to process a large number of exemption requests, by providing AEMO with clearer parameters for administering the exemption framework.[26]

Our final rule will maintain the intended outcomes of the *Accelerating smart meters* rule change, acknowledging there are circumstances where MCs can't resolve site issues beyond their control to repair malfunctions within NER and AEMO timeframes. This is by:

- enabling MCs to apply to AEMO for an exemption with a longer period than specified in AEMO's Exemption Procedure
- not requiring MCs to meet testing, inspection or repair timeframes under the NER while an MC is waiting for a defect at a metering installation to be rectified.

Our final rule also reflects our consideration that the issues raised by the rule change requests and submissions are similar, so should be considered holistically. As such, our approach to changes are similar across both the testing and inspection, and malfunctions, frameworks.

25 AEMC, Supporting compliance with meter maintenance obligations, Consultation paper, p. 24.

26 Information provided by AEMO states that as of April 2023, around 300,000 meters had been granted exemptions under AEMO's exemption framework, corresponding to approximately 4.4 per cent of customers across the NEM.

2 The final rule will contribute to the National Electricity Objective

The final rule will contribute to the National Electricity Objective (NEO) by promoting safety and reliability outcomes, as more metering installations would meet the performance and accuracy requirements under Chapter 7 of the NER. The final rule will also promote efficiency of meter maintenance practices, minimising the cost of these practices in the long-term interests of consumers.

Section 2.3 outlines details on how the final rule will contribute to the NEO.

2.1 The Commission must act in the long-term interests of energy consumers

The Commission can only make a rule if it is satisfied that the rule will or is likely to contribute to the achievement of the relevant energy objectives.[27]

For this rule change, the relevant energy objective is the NEO, as the Commission has determined that no draft retail rule is required to give effect to the Commission's policy positions.

The NEO is:[28]

> to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to—
>
> (a) price, quality, safety, reliability and security of supply of electricity; and
>
> (b) the reliability, safety and security of the national electricity system; and
>
> (c) the achievement of targets set by a participating jurisdiction—
>
> (i) for reducing Australia's greenhouse gas emissions; or
>
> (ii) that are likely to contribute to reducing Australia's greenhouse gas emissions.

The targets statement, available on the AEMC website, lists the emissions reduction targets to be considered, as a minimum, in having regard to the NEO.[29]

27 Section 88(1) of the NEL.
28 Section 7 of the NEL.
29 Section 32A(5) of the NEL.

2.2 We must also take these factors into account

2.2.1 We have considered whether to make a more preferable final rule

The Commission may make a rule that is different, including materially different, to a proposed rule (a more preferable rule) if it is satisfied that, having regard to the issue or issues raised in the rule change request, the more preferable rule is likely to better contribute to the achievement of the NEO.[30] In this case, the Commission has made a more preferable final electricity rule, and no retail rule, for the reasons outlined below.

As the final determination and final rule respond to multiple issues raised across the four rule change requests, the following table outlines the elements of each original proposal, and where the more preferable final rule differs from the proposals. Further detail on each final position is presented in chapter 3, chapter 4 and chapter 5.

Table 2.1: The rule change requests and our more preferable final rule

Rule change request	Change proposed in the rule change request	Final position	Rationale behind the final position of the preferred final rule
Intellihub	Change the meter maintenance framework to: • require the financially responsible market participant (FRMP) to inform HV customers of their obligation to support meter maintenance • introduce safeguards should HV customers fail to meet obligations, including obligations on FRMPs and distribution network service	Not introduce powers to de-energise customers' premises if large customers do not cooperate with MCs' testing and inspection obligation.	The Commission has opted not to introduce powers to de-energise a customer's site if it does not support an MC's testing, inspection and malfunction obligations. This is because de-energisation can have significant safety and financial impacts for customers.

30 Section 91A of the NEL.

Rule change request	Change proposed in the rule change request	Final position	Rationale behind the final position of the preferred final rule
	providers (DNSPs) to support supply interruptions to the customer.		
	Introduce a new obligation on the previous MC to provide a copy of the HV current transformer (CT) and voltage transformer (VT) test certificates within 10 business days of the request from the current MC.	The previous MC must ensure the most recent test certificate for a metering installation is accessible to the new MC within 10 business days, if available.	The final rule follows the intent of the rule change request; however, it adds a condition that the testing certificate is available. This aims to support situations where old testing certificates have been lost or are not available to the MC.
	Introduce defined scenarios into the NER that AEMO must consider and not unreasonably refuse an exemption or extension for individual meter malfunctions and family failures.	Allow MCs to apply to AEMO for an exemption that does not have a specified timeframe in the NER or AEMO's Exemption Procedure where there are safety, accessibility and readiness issues with the site that prevent MCs from meeting their obligations in the NER. For these situations, the exemption will end on a date AEMO considers appropriate for the MC's circumstances. The final rule maintains the existing timeframes in the NER and AEMO's Exemption Procedure for other situations, including for family failures and supply chain issues.	The final rule follows the broad intent of the rule change request by setting out conditions under which a special exemption could be sought by AEMO for individual failures, where a metering installation is not accessible, safe or ready. The Commission opted not to extend the exemption frameworks for family failures for a number of reasons, including MCs ability to manage the size of families and adopt the use of sub-families to manage failures under the existing exemption framework.
PLUS ES	Introduce a requirement that the	Not regulate the terms of contracts	The terms of contracts between retailers/large customers and

Rule change request	Change proposed in the rule change request	Final position	Rationale behind the final position of the preferred final rule
	terms of appointment of the MC (ie, the contract between retailers/large customers and MCs for metering services) include all the MC's testing and inspection obligations at a reasonable commercial rate.	between MCs and retailers/large customers.	MCs are commercial in nature. PLUS ES's proposed approach would be against current practice and may have implications for competition between MCs. The Commission considers the terms and scope of contracts should be negotiated between parties before entering into the contracts.
Yurika	Introducing a new power for retailers to de-energise and re-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.	Not introduce powers for retailers to de-energise and re-energise large customers for failing to facilitate MC obligations.	De-energisation can have significant safety and financial impacts for customers.
	Amend the MC's testing and inspection responsibility in the NER from an absolute to a best endeavours obligation.	The testing and inspection obligation remains absolute. However, the Rules will introduce an exemption framework where MCs are unable to test metering installations where the metering installation is not accessible, safe or ready.	This approach will maintain responsibility on MCs whilst encouraging them to continue efforts to overcome issues that prevent the metering installation from being accessible, safe or ready, by seeking support from the retailer or large customer. Where these site issues continue to prevent MCs from meeting their testing and malfunction rectification obligations, the final rule enables MCs to apply to AEMO for an exemption so that MCs are not penalised for site issues outside their control. The final rule does not introduce an exemption framework for inspections because there are provisions in AEMO's Metrology Procedures to conduct remote inspections for certain types of meters. Additionally, for those metering installations where remote

Rule change request	Change proposed in the rule change request	Final position	Rationale behind the final position of the preferred final rule
			inspections are not appropriate, MCs have some flexibility through their Asset Management Strategy to meet their requirements. However, there may be a benefit for AEMO to amend the Metrology Procedures to clarify how MCs can use their asset management strategies to provide MCs with additional flexibility to inspect metering installations. Finally, discussions with the AER suggest that there has been no feedback from participants on barriers to meet inspection requirements to date.
AEMO	Amend the definition of 'metering installation' in the NER to make explicit that a metering installation must be compliant and verified in accordance with the requirements of Chapter 7, including testing and inspection.	Not amend the definition of 'metering installation' in the NER.	The approach proposed in the rule change request would likely introduce compliance challenges for retailers where there are site issues. The Commission also considers it more appropriate to outline retailers' obligations for regulatory certainty and to achieve the intent of the rule change request.
	Introduce new paragraphs that make it explicit that, where an MC is unable to carry out its obligations under these provisions due to customer or site access limitations, the relevant FRMP must facilitate the MC fulfilling their obligations within a specified timeframe.	The final rule requires retailers or large customers to support MCs in delivering their testing, inspection and malfunction rectification activities.	The final rule aligns with the broad intention of the rule change request.
	Introduce a compliance-weighted UFE allocation method into the	Not change the current UFE allocation approach to resolve	While this may incentivise FRMPs and customers to comply with the rules, it involves considerable implementation challenges. For

Rule change request	Change proposed in the rule change request	Final position	Rationale behind the final position of the preferred final rule
	NER, where non-compliant National Metering Identifiers (NMIs) receive a higher proportion of UFE.	MCs' non-compliance with testing and inspection obligations.	example, for AEMO and/or retailers to accurately determine the share of UFE that is due to non-compliant metering installations.
	Require DNSPs to provide MCs advance notice of planned outages.	Do not require DNSPs to provide MCs advance notice of planned outages.	The Commission consider that there are practical challenges that could limit the effectiveness of such a requirement. For example, operational conflicts between DNSPs and MCs due to misaligned outage durations.

2.2.2 We have considered whether to make a final rule for the Northern Territory

The NER, as amended from time to time, apply in the Northern Territory, subject to modifications set out in regulations made under the Northern Territory legislation adopting the National Electricity Law (NEL).[31] Under those regulations, only certain parts of the NER have been adopted in the Northern Territory. The final rule amends portions of chapters 10 and 11 of the NER, which apply in the Northern Territory. However, the primary changes made by the final rule are to chapter 7 of the NER, which does not apply in the Northern Territory.

The Commission has determined to make a differential rule that disapplies the final rule for the Northern Territory. The final rule will not have effect in the Northern Territory and no amendments to the NER as applied in the Northern Territory will be made as a result of the rule. This determination contributes to the achievement of the NEO by avoiding the costs, complexity and ambiguity likely to arise in the Northern Territory regulatory framework if a uniform rule were made.

31 These regulations under the NT Act are the National Electricity (Northern Territory) (National Uniform Legislation) (Modifications) Regulations 2016.

2.3 How we have applied the legal framework to our decision

The Commission must consider the proposed changes to the current meter testing and malfunctions frameworks in light of the legal framework.

We identified the following criteria to assess whether the proposed rule changes, no change to the rules (business-as-usual), or other viable, rule-based options are likely to better contribute to achieving the NEO:

- Outcomes for consumers - see section 2.3.1
- Safety, security and reliability - see section 2.3.2
- Principles of market efficiency - see section 2.3.3
- Implementation considerations - see section 2.3.4.

These assessment criteria reflect the key potential impacts – costs and benefits – of all four rule change requests, for impacts within the scope of the NEO. Our reasons for choosing these criteria are set out in section 4.1 of the consultation paper.

The Commission has evaluated the impacts of the various policy options against the assessment criteria, taking into account stakeholder submissions.

The rest of this section explains why the final rule best promotes the long-term interest of consumers when compared to other options and assessed against the criteria.

2.3.1 The final rule will promote better outcomes for consumers

We consider that the final rule will improve customer outcomes compared to the current arrangement and the proposed rules. Specifically, customers would benefit from improved meter accuracy and lower metering costs.

The final rule will introduce additional obligations on retailers and large customers to support MCs in meeting their testing, inspection, and repair obligations. Under the final rule, retailers must notify and provide information to customers about MC meter maintenance activities (where the retailer appointed the MC). Additionally, retailers and large customers must cooperate and provide reasonable assistance to MCs so they can comply with their obligations to test and inspect metering installations, and repair malfunctions in accordance with the NER. Adding these obligations to the Rules will likely help MCs meet their obligations compared to the status quo, particularly when they face barriers related to site issues (lack of site access or defect at a metering installation). This is because MCs will secure the support they need from retailers and large customers to carry out meter testing, inspection and repair (eg, arranging supply interruptions). This, in turn, should increase the proportion of compliant and accurate meters, which is in the long-term interests of consumers.

As noted in Table 2.1, the final rule does not introduce powers to de-energise large customer sites if large customers do not support an MC's testing, inspection and malfunction obligations, as was proposed by the rule change requests from Yurika and Intellihub.[32] The final rule supports better outcomes for consumers compared to the original rule change requests because de-energisation can have significant safety and financial impacts for customers.

32 Yurika, Changes to the meter testing framework for large customers rule change request, pp. 11, 13. Intellihub, Improving the metering installation maintenance framework rule change request, pp. 8,9.

The final rule will also introduce some efficiency improvements that should reduce costs faced by MCs, which should be passed on to consumers in the long term. These efficiency improvements are discussed in section 2.3.3. The final rule will also impose some costs on the market, including requiring retailers and MCs to notify, inform, and coordinate with customers. However, the Commission is of the view that these costs will be outweighed by efficiency savings from MCs.

2.3.2 The final rule will promote safety and reliability

Compared to the current arrangements, the final rule will promote safety and reliability of the NEM through exemption frameworks and improved accuracy of metering installations.

The final rule will introduce an exemption framework for testing and amend the existing malfunctions exemption framework. One key component of the exemption frameworks that is being introduced is grounds for an exemption when a metering installation is not accessible, safe or ready for the MC to test or repair a malfunction. Adding this condition would help MCs manage potential safety threats when seeking to meet their metering maintenance obligations, as MCs do not need to face safety risks in order to comply with their obligations (eg, repairing a malfunction where there are wiring issues around the meter board).

Different to the draft rule, the final does not introduce a new exemption framework for inspections. This is because MCs already have some flexibility to meet their inspection obligations through their asset management strategy. This will encourage MCs to use alternative approaches, such as remote inspections where appropriate, to inspect meters, which would avoid the need for an exemption. This will result in lower inspection costs and more metering installations being inspected in compliance with NER obligations.

The final rule will also improve the accuracy of metering installations by requiring the person who appointed the MC (generally, retailers or large customers) to cooperate with and assist MCs in testing and inspecting metering installations, or in repairing malfunctions, when site issues arise. These improvements in accuracy should contribute to broader reliability goals by enabling the market to operate and settle more efficiently.

Our final rule also introduces requirements on MCs to make information about the compliance status of metering installations available to AEMO and registered market participants. This enables better ongoing monitoring over MCs' compliance with their obligations, which supports improved accuracy of metering installations.

2.3.3 The final rule will promote market efficiency

Compared to the current arrangements, the final rule will improve market efficiency by streamlining MCs' meter maintenance activities.

Under the current framework, MCs can find it challenging to ensure metering installations are tested and inspected, or that malfunctions are repaired, when MCs are unable to obtain access to a metering installation on behalf of the Metering Provider (MP) or when there is a defect at the site or metering installation. As it is the customers' responsibility to resolve these site issues, which are outside MCs' control, this means MCs can incur costs and risk non-compliance in attempting to meet their obligations.

The final rule includes requirements for retailers and large customers to assist MCs, which could increase the likelihood that customers resolve these site issues and that MCs can test and inspect metering installations or repair malfunctions. Additionally, the final rule introduces a new exemption framework for testing, and amends the existing malfunctions exemption framework to be more flexible and account for barriers MCs face in practice, such as site access issues.

The final rule also introduces an obligation for the previous MC at a connection point to share available test certificates with the new MC that is appointed at that connection point. This will avoid unnecessary and duplicative costs for new MCs, as they will not need to re-test a metering installation if it had already been tested by the previous MC within the relevant timeframe. Additionally, the final rule introduces a transparency obligation on MCs to share the compliance status of metering installations in accordance with the MSATS procedures. This will improve the efficiency of MC operations and support AEMO to administer exemption processes. For example, AEMO may use information on the compliance status of metering installations to verify or monitor MCs' requests for an exemption or extensions to an exemption period from testing or repair timeframes specified in the NER.

2.3.4 The final rule will minimise implementation costs and complexity

Compared to the proposed rules, the final rule will minimise implementation costs by building on existing frameworks and processes, such as the malfunctions exemption framework and the notification and tracking process for defects at metering installations. The Commission has also opted to adopt an outcomes-based approach for the requirement for MCs to share testing certificates. That is, the final rule does not prescribe a method or means by which MCs must share testing certificates. The final rule seeks to minimise implementation complexity by setting out clear roles and processes for market participants and AEMO.

To minimise complexity, our final rule aligns with existing processes and frameworks where relevant. For example, compared to our draft rule, our final rule better aligns the defect notification processes for testing, inspecting and repairing malfunctions with the existing defect notification process for installing meters for small customers.[33]

As noted in section 2.2.1, the final rule does not change the UFE allocation methodology nor change the contracting requirements between MCs and retailers as proposed in the original rule change requests. Both these proposals would have added costs and complexity to the final rule if adopted, through changes in AEMO systems and costs through changing requirements in contracts between commercial parties.

Unlike our draft rule, our final rule will commence in stages to support implementation.

33 Rule 59AAA of the NERR.

3 Requiring retailers and large customers to support MCs to overcome barriers to testing, inspecting and repairing meters

This chapter sets out:

- the Commission's final rule on requiring the party who appointed the MC (generally the retailer or large customer), to support MCs' compliance with:
  - testing and inspecting obligations under the NER
  - repairing metering installation malfunctions within timeframes specified in the NER and AEMO's malfunction Exemption procedure.
- stakeholder feedback on the draft determination and draft rule
- changes to the draft rule for the final rule and the Commission's rationale, considering stakeholder feedback and our own further analysis.

Box 1 provides an overview of the changes under our final rule.

Box 1: Requirements on retailers and large customers as the person who appointed the MC

Our final rule requires the person who appointed the MC (typically, the retailer or the large customer) to promptly cooperate and provide reasonable assistance to MCs so they can comply with their obligations to test and inspect metering installations, and repair malfunctions in accordance with timeframes and performance and accuracy requirements.

Reasonable assistance would include:

- **where necessary, facilitating a supply interruption so that MCs can carry out their work.** Our final rule enables MCs to request the person who appointed them, to facilitate a supply interruption by agreeing the date on which the supply interruption will take place, and facilitating access to the metering installation on that date.
- **helping to resolve site access issues so that the metering installation is accessible.** Under our final rule, where the retailer appointed the MC, the retailer must inform the customer of the date of the site visit and provide any further information the customer may need, so that customers are adequately prepared for the visit.
- **informing customers of any defects at a metering installation, so that customers can rectify them and ensure metering installations are safe and ready.** Our final rule:
  - introduces a defect notification and tracking process for meter testing, inspection and malfunction repair for small and large customers' metering installations
  - requires the person who appointed the MC, to promptly notify the MC if they received confirmation that the defect has been rectified.

Under the final rule, AEMO is required to provide further detail on how retailers and large customers are expected to support MCs with their meter maintenance obligations in its procedures. The person who appointed the MC must provide MCs with reasonable assistance in accordance with these procedures published by AEMO. These are new requirements since the draft rule.

The obligation on the person who appointed the MC and the changes to the exemption framework for testing and malfunctions will take effect on 1 September 2027.

3.1 Requiring retailers and large customers to support MCs to test, inspect and repair meters

This section outlines our final rule on:

- requiring retailers and large customers to promptly cooperate and provide reasonable assistance to MCs, where requested by the MC, so that MCs can test and inspect metering installations and repair malfunctions in accordance with the NER. Reasonable assistance would include:[34]
  - facilitating supply interruptions (if needed) so MC can carry out its work (section 3.1.1)
  - resolving site access issues so that the metering installation is accessible (section 3.1.2)
  - where applicable, retailers informing customers of the date the MC proposes to test, inspect or repair a metering installation (per their obligations) and providing any further information the customer requires for the MC to carry out its work[35] (section 3.1.2)
  - informing customers of any defects at a metering installation, so that customers can rectify them and ensure metering installations are safe and ready (section 3.2).
- requiring AEMO to provide further detail on how retailers and large customers are expected to support MCs with their meter maintenance obligations in its exemption procedure(s) (section 3.1.3).

We recommend that the requirement to provide the MC reasonable assistance and cooperation under clause 7.6.2A(a) of the final rule be a tier 2 civil penalty provision because if metering installation are not tested and inspected, or malfunctions are not repaired, there could be inefficient market outcomes which are not in the long-term interests of consumers.

3.1.1 Our final rule will require retailers and large customers to support MCs to resolve issues with arranging supply interruptions

In order to test, inspect and repair metering installations safely, the electricity supply at the site may need to be interrupted. Supply can either be interrupted by DNSPs or retailers.

To support MCs in providing metering installation, maintenance, repair or replacement services, retailers may arrange planned interruptions for these services.[36] However, the retailer-planned interruption requirements do not specifically provide for interruptions in relation to MCs' testing and inspection obligations.

While MCs do not face challenges in arranging distributor-planned interruptions, MCs may find it challenging to arrange retailer-planned supply interruptions. This means that, where retailer-planned supply interruptions are required, the site may not be ready for the MC to test and inspect a metering installation, or repair a malfunction. To ensure the electricity supply is interrupted when an MC needs it to meet its testing, inspection or malfunction rectification obligations, our final rule:

- enables MCs to request the person who appointed them to facilitate a supply interruption for the connection point and facilitate access to the metering installation on a date agreed with the MC. The MC and the person who appointed the MC must agree on the date of the supply interruption promptly upon the MC's request.[37]

34 Clause 7.6.2A(b) and rule 7.9A of the final rule.
35 Under the final rule, MCs will be required to inform customers if they are appointed by a large customer.
36 Rules 59B and 59C of the NERR.
37 Clauses 7.6.2A(a) and 7.6.2A(b)(1) of the final rule.

- requires the person who appointed the MC to facilitate a supply interruption and facilitate access to the metering installation on a date agreed with the MC, on the MC's request.[38]

In practice, where an MC requires the electricity supply to be interrupted at a customer's site, the MC could request the:

- large customer, where the large customer is the person who appointed the MC, to arrange a supply interruption with the DNSP
- retailer, where the retailer is the person who appointed the MC, to arrange a supply interruption with the DNSP. The retailer may need to coordinate between the MC and the large customer to agree on a date for a supply interruption, given the MC may not have a direct relationship with the large customer and to minimise negative customer experiences for large customers (eg, inability to adequately plan operations for a supply interruption).

The NER requires MCs to test, inspect and repair meters within specific timeframes.[39] The date of the supply interruption agreed between the MC and the person who appointed them should fall within this period. However, if it is not practicable to interrupt supply within this period, an MC may apply to AEMO for an exemption. Chapter 4 explains the exemption processes under the final rule in more detail.

3.1.2 Our final rule will also require retailers and large customers to support MCs to resolve site access issues

As explained in section 2.2.1 of the consultation paper, in some circumstances MCs are unable to obtain access customers' premises or metering installations to test and inspect them, or repair malfunctions.[40]

We consider that in many cases, customers are not adequately prepared to provide site access to MCs. As the EUAA suggested, this is because customers may not have been sufficiently notified of the site visit or in the case of large customers, a site visit may occur at a time that would cause significant disruption to a large customer's business operations.[41]

To reduce the risk that MPs, on behalf of MCs, would not be able to access the site and appropriately prepare customers for the site visit, our final rule requires MCs and retailers to inform customers of the site visit in a timely manner. Large customers may need greater advance notice (eg, at least 60 business days' advance notice) than small customers, as large customers tend to require significant coordination and careful planning.[42]

To support MPs in accessing the site, under our final rule:

- Where the retailer appointed the MC, the retailer must inform its small or large customer:
  - the date the MC proposes to have the MP test and inspect the metering installation, or repair the meter malfunction. This is the date the retailer agreed with the MC to facilitate a supply interruption discussed in section 3.1.1.
  - any further information the customer may require to prepare for the MC to carry out its work.[43] This may include the customer's role or action required from them, such as where relevant:

38 Clause 7.6.2A(b)(1) of the final rule.
39 See NER chapter 7 Part D and Schedule 7.6.1.
40 AEMC, Supporting compliance with meter maintenance obligations, Consultation paper, 4 December 2025.
41 EUAA, submission to the consultation paper, pp. 1, 6.
42 EUAA, submission to the consultation paper, p. 3.
43 Clause 7.6.2A (b)(2) of the final rule.

  - providing the MP access to the metering installation if necessary
  - arranging a supply interruption with the DNSP
  - paying any upfront costs, such as the cost for testing.
- Where the large customer appointed the MC, the obligation to inform customers is not applicable because large customers will not need to inform themselves. In practice, we understand that MCs inform large customers about the site visit, similar to how retailers would inform their customers above.
- The person who appointed the MC must facilitate access to the metering installation on the date of the supply interruption agreed with the MC.[44] If the person who appointed the MC is a:
  - retailer, the retailer must provide assistance to the MC to access the site when required. This could take the form of working with the customer to ensure the customer is ready and communicating with the MC ahead of the site visit
  - large customer, the large customer must provide access to the MP on the date of the supply interruption agreed with the MC. Non-compliant large customer metering installations have a material impact on market settlement and billing.

Our final rule ensures that large customers who appoint the MC, do not prevent MCs from accessing the site to test and inspect a metering installation, or repair a malfunction. We do not consider that this would result in a poor customer experience because, as explained above, the large customer would agree on the date of the supply interruption. Further, MCs will provide large customers with relevant information in a timely manner to adequately prepare the large customer for a site visit.

3.1.3 Our final rule will require AEMO to provide further detail on how retailers or large customers must support MCs with maintenance obligations

Our final rule requires AEMO to provide further guidance in its procedures on how retailers and large customers are expected to support MCs with their meter maintenance obligations.[45] Retailers and large customers are required to provide this support in accordance with the procedures published by AEMO.[46]

This is a change from the draft rule in response to stakeholder feedback on the draft rule.

This requirement on AEMO will:

- help minimise ambiguity or confusion among industry on how they are expected to work together to support MCs in carrying out their obligations
- provide flexibility to AEMO to adjust any specific requirements in its procedures to ensure market participants meet the policy intent of this rule change.

3.1.4 Our final rule responds to stakeholders, who sought more prescription on the specific requirements

Metering parties and Stanwell agreed retailers or large customers should support MCs to meet their testing, inspection or repair obligations, highlighting retailers and large customers play an important role in helping MCs overcome practical barriers to MCs' compliance.[47] PLUS ES noted

44 Clause 7.6.2A (b)(1) of the final rule.
45 Clause 7.6.2A(c) of the final rule.
46 Clause 7.6.2A(b) of the final rule.
47 Submissions to the draft determination: PLUS ES, p. 3; Stanwell, p. 3; Bluecurrent, p. 2; Energy Queensland, p. 3.

that requiring cooperation across the supply chain appropriately reflects the shared nature of metering responsibilities and supports effective market operation.[48]

However, several stakeholders suggested that the draft rule required more prescription in outlining the responsibilities of each party. Stakeholders considered the draft rule was unclear over what support constitutes 'reasonable assistance and cooperation' or what it means for a retailer or large customer to 'facilitate' a supply interruption.[49] Retailers generally recognised the importance of their role to support MCs with their obligations, but sought further clarity to ensure they are not required to perform actions or services beyond their control or remit.[50]

The Commission agrees further clarity would be beneficial, but considers it is appropriate for AEMO to provide further detail in the relevant procedures. This requirement on AEMO will:

- provide consistent expectations amongst market participants on how they should work together to support MCs in carrying out their obligations, particularly as MCs are expected to seek support from retailers or large customers before they seek an exemption from AEMO
- provide an opportunity for market participants to consult with AEMO on these expectations
- provide flexibility to AEMO to adjust any specific requirements in its Procedure to ensure market participants meet the policy intent of this rule change.

We understand current practices or existing processes for arranging supply interruptions (retailer-planned interruptions or distributor-planned interruptions) can depend on various factors, such as:

- the cause for a supply interruption
- bilateral agreements between MCs and retailers or DNSPs
- whether the supply interruption is needed for a small or large customer's metering installation
- jurisdictional arrangements.[51]

We encourage AEMO to consider current industry practices or processes for arranging supply interruptions when developing its procedures to, where appropriate and feasible:

- recognise any differences in existing practices across retailers, DNSPs and jurisdictions
- avoid unintended consequences of excluding or negatively impacting existing bilaterally-agreed processes between market participants.

AEMO procedures could, for example, further explain:

- what support from retailers or large customers would be considered as 'reasonable assistance and cooperation' for MCs to test, inspect or repair metering installations
- roles and responsibilities for arranging or coordinating supply interruptions that are needed to test, inspect or repair metering installations.

Stakeholders suggested other refinements, which were not adopted in the final rule

Bluecurrent, PLUS ES and Intellihub suggested making the current FRMP or retailer for a connection point responsible for supporting MCs with their testing, inspection or repair obligations, rather than the person who appointed the MC per the draft rule. They considered this would ensure retailers are responsible and accountable for supporting MCs in fulfilling their

48 PLUS ES, submission to the draft determination, p. 3.

49 Submissions to the draft determination: EUAA, p. 2; Bluecurrent, p. 1; PLUS ES, p. 3; Energy Queensland p. 3; Origin, p. 2; AGL, p. 3; EnergyAustralia, p. 1.

50 Submissions to the draft determination: Origin, p. 2; AGL, p. 3; EnergyAustralia, p. 1.

51 For example, in NSW, an Accredited Service Provider may perform a supply interruption.

obligations, regardless of whether the retailer actively appointed the MC or kept the same MC that a previous retailer appointed at that connection point.[52]

The Commission considers that changes to the draft rule are not necessary on this point. This is because accountability on the current FRMP is established by existing arrangements, whereby FRMPs must ensure that an MC is appointed in respect of the connection point.[53] In practice, this means:

- FRMPs (who can be retailers) must have a contractual agreement with the MC, either by establishing one with the incumbent MC at the connection point or by appointing a new MC for that connection point
- incoming retailers who become the new FRMP for a connection point must support MCs with their testing, inspection or repair obligations. The MC can be either the incumbent MC at the connection point or a new MC if an incoming retailer chooses to appoint a different MC.

PLUS ES and Intellihub suggested there was a risk that MCs could be exposed to non-compliance risk where customers don't undertake activities necessary for MCs to test, inspect or repair metering installation (eg, providing site access) despite retailers' support or facilitation.[54]

The Commission notes that the final rule provides MCs with pathways to mitigate their non-compliance risk in circumstances where premises are not accessible, safe or ready for MCs to test, inspect or repair metering installations. For example, where:

- a small customer or large customer (who has not appointed the MC) does not provide site access or arrange a supply interruption, MCs may apply to AEMO for an exemption from meter testing or repair obligations or discuss with AEMO an alternative asset management strategy for inspection requirements (as discussed in section 4.1). The exemption application should explain why it was not practicable for the MC to test or repair metering installations within the specified timeframes in the NER.
- there is a defect at the metering installation preventing the MC from inspecting the metering installation (eg, faulty wiring at the meter board), the MC is not required to inspect the metering installation until the customer has informed the retailer or MC the defect has been rectified. Where the MC is unable to test, inspect or repair a metering installation due to a defect at the metering installation, the MC will be required to notify the retailer or the large customer (as applicable). See section 3.2.

AEMO considered that large customers who appointed the MC, and are not registered market participants, may not support MCs with obtaining access to a metering installation, as they are not directly subject to the enforceability framework. AEMO sought clarity on how the Commission expects the new regulatory framework to operate where access is persistently denied, and the appointing party is not subject to enforcement under the NER.[55]

The Commission notes that the relevant provisions in the final rule[56] will create enforceable obligations on large customers who appointed an MC. The AER does not share AEMO's concerns regarding enforceability, as the AER considered it appropriate for the new rules to apply to all appointing parties regardless of whether they are a registered participant or not.[57]

52 Submissions to the draft determination: PLUS ES, pp. 8,9; Bluecurrent, p. 2; Intellihub, p. 2.
53 Clause 7.2.1(a)(1) of the NER.
54 Submissions to the draft determination: PLUS ES, pp. 8,9; Intellihub, p. 2.
55 AEMO, submission to the draft determination, p. 2.
56 Clauses 7.6.2A and 7.9A.2.
57 AER, submission to the draft determination, p. 2.

The AER noted retailers and DNSPs have obligations governing planned interruptions where a person residing at the premises requires life support equipment under existing arrangements. The AER considered there may be ambiguity about whether the obligation on the person who appointed the MC to agree on the date for a planned interruption takes precedence over life support obligations in the NERR.[58] The Commission notes the final rule does not override existing obligations on retailers or DNSPs relating to life support customers, and existing life support obligations take precedence. This means retailers or DNSPs must obtain a life support customer's explicit consent for a supply interruption to occur on a specified date, per existing requirements.[59]

The AER also suggested requiring DNSPs and Transmission Network Service Providers (TNSPs) to support MCs in their testing and inspection efforts where MCs require distributor-planned interruptions.[60] The AER considered this obligation would:

- give DNSPs additional incentive to assist MCs with their testing and inspection obligations beyond a similar and existing obligation on DNSPs.[61]
- capture TNSPs who may not currently have an incentive to support MCs with their obligations.

The Commission considers the existing obligation on DNSPs to assist MCs in maintaining, repairing or replacing metering equipment is sufficient to support MCs' testing and inspection obligations. The Commission considers that the final rule should not require TNSPs to support MCs, as we consider that the same challenges that arise at a distribution connection point would not arise at a transmission connection point where either the TNSP or FRMP could be the MC.

Stanwell suggested clarifying the obligation to support an MC with meter compliance activities rests with the large customer who appointed the MC, not the retailer, in the following circumstances:[62]

- Where a large customer has an existing agreement with an MC (large customer appointed the MC) and subsequently churns to a new retailer. The Commission notes the obligation under the final rule is on the large customer who appointed the MC, including in a situation where the large customer has switched to a new retailer and has retained the existing agreement with the MC.[63]
- Where a retailer provides contact details for an MC and the large customer subsequently enters into an agreement with that MC, the large customer is taken to have appointed the MC. The Commission notes the obligation is on the large customer who has appointed the MC. We understand in practice, this arrangement is established through a Direct Metering Arrangement.

3.2 Tracking and notifying site defects to encourage resolution

To support MCs in testing and inspecting metering installations and repairing malfunctions where there is a defect at a metering installation, our final rule will introduce requirements on MCs, retailers and large customers to ensure customers are notified of site defects, and MCs are notified site defects are rectified.

58 AER, submission to the draft determination, pp, 2, 3.
59 Rule 59C(1)(c) and rule 90(1)(c) of the NERR.
60 AER, submission to the draft determination, p. 3.
61 Under rule 91A of the NERR, DNSPs are required to provide MCs with assistance they may reasonably require to carry out the installation, maintenance, repair or replacement of metering equipment.
62 Stanwell, submission to the draft determination, p. 3.
63 Clause 7.9A.2.

Currently, for small customers' metering installations, retailers are responsible for managing a notification and tracking process if the MC is unable to install a meter due to a defect at the metering installation.[64] Under this process, retailers are required to inform small customers of a defect at the metering installation when an MC discovers the defect, to encourage small customers to resolve it. The process also provides the MC with visibility into which metering installations have defects, preventing wasted site visits to install a meter. As part of this process, small customers are expected to inform the retailer when the defect at a metering installation has been rectified.[65]

Our final rule introduces a notification and tracking process into the NER if MCs are unable to test, inspect or repair metering installations due to a defect at the metering installation (for all customer types). Our final rule represents a change from our draft rule to better align with the existing small customer notification and defect tracking process under the NERR in respect of installing meters.

Our final rule clarifies that if the person who appointed the MC is a:

- Retailer – the MC must inform the retailer of the defect, and the retailer must send a defect notice to the retail customer. The retailer is not responsible for rectifying the defect but is responsible for issuing notices to customers in accordance with the process outlined in Table 3.1 below.
- Large customer – the MC must send a defect notice to the large customer in accordance with the process outlined in Table 3.1 below.

Our final rule makes this clear by separating the relevant clauses for retailers and large customers regarding the notice procedure for repairing defects at metering installations.[66]

Our final rule also makes a drafting amendment to the definition of 'defect at the metering installation' to include reference to the metering installation from being unable to be 'repaired or replaced' to 'inspected, tested, repaired or replaced'.

This process will better support customers in remediating defects at metering installations, as customers are made aware of any defects and will be given at least one notice to rectify these, allowing MCs to test and inspect metering installations or repair malfunctions. Steps one to six below outline how this notification process will work in practice.

Table 3.1: Step-by-step process for retailers and MCs to inform customers of defects at metering installations

Step	Description
1. **MC becomes aware of a defect at a metering installation**	• The MP arrives at the site to test and inspect the meter or repair a malfunction, and identifies a defect at a metering installation. Therefore, the MP cannot test and inspect the metering installation or repair the malfunction. • The MP notifies the MC that there is a defect at a metering installation.

64 A defect at the metering installation is currently defined as a "defect with an end user's housing of a metering installation or electrical wiring connected to the metering installation that means the metering installation is unable to be repaired or replaced". NER chapter 10. In this rule, the definition will be expanded to refer to inspection and testing as well as repair and replacement.

65 See NERR rule 59AAA and section 3.5.4 of the final determination of the *Accelerated deployment of smart meters* rule change for a description of the process. AEMC, Accelerating Smart Meter Deployment, Rule determination, pp. 42-44.

66 Clause 7.9A.1 applies if a retailer appointed the MC, and clause 7.9A.2 applies if a large customer appointed the MC.

Step	Description

	• The MC will notify the person who appointed them (retailer or large customer) of the defect, so the customer can be notified of the defect and rectify it.
	  • If the retailer appointed the MC, the MC may use B2B to notify the retailer of the defect and record the defect, including its nature. Within 5 business days of being notified by the MC, the retailer must then send a notice to its customer informing them of the defect and requesting the customer to rectify the defect (**first notice**).
	  • If the large customer appointed the MC, the MC must send a notice to the large customer informing them of the defect and requesting the customer to rectify the defect (**first notice**).

2. MC timeframes for inspecting, testing or repairing do not apply where MC has notified the large customer/retailer of the defect at the metering installation	• As explained in section 1.2.2, if there is a defect at a metering installation, it is unlikely that it would be resolved and the MC could test and inspect the metering installation or repair a malfunction within the timeframes specified in the NER and within the current exemption periods in AEMO's Exemption Procedure.
	• Under the final rule, the timeframes for inspecting, testing or repairing (as applicable) metering installations do not apply to the MC, and the MC is not required to complete the inspection, test or repair (as applicable) of the metering installation, for the period:
	  • commencing on the date the MC sends the first notice to the retailer or large customer
	  • ending on the date the retailer or large customer notifies the MC that the defect at the metering installation has been rectified.

3. MC/retailer waits for confirmation that the defect at a metering installation has been rectified. Retailer/MC sends a second notice if it has not received confirmation	• If the retailer appointed the MC and the retailer has not received confirmation from the retail customer that the defect at a metering installation has been rectified within 40 business days of issuing the first notice, the retailer will send a reminder notice to the retail customer no more than 45 business days after sending the first notice (**second notice**). • If the large customer appointed the MC and the MC has not received notice from the large customer that the defect at the metering installation has been rectified within 40 business days of issuing the first notice, the MC will send a reminder notice to the large customer no more than 45 business days after sending the first notice (**second notice**).
4. MC ensures metering installations are tested and inspected, or malfunctions are repaired, once the defect has been rectified	• Our final rule requires the person who appointed the MC (the retailer or large customer) to promptly inform the MC of the rectification of a defect at the metering installation. • If the MC receives confirmation that the defect at a metering installation has been rectified, the MC must test and inspect the metering installation, or repair the malfunction. • The MC will arrange the date of the testing and inspection, or repair of a malfunction with the large customer (where relevant), as

Step	Description
	discussed in section 3.1.1. • The MC is not required to test, inspect or repair the metering installation until the MC has received confirmation from the retailer or large customer that the defect has been rectified.

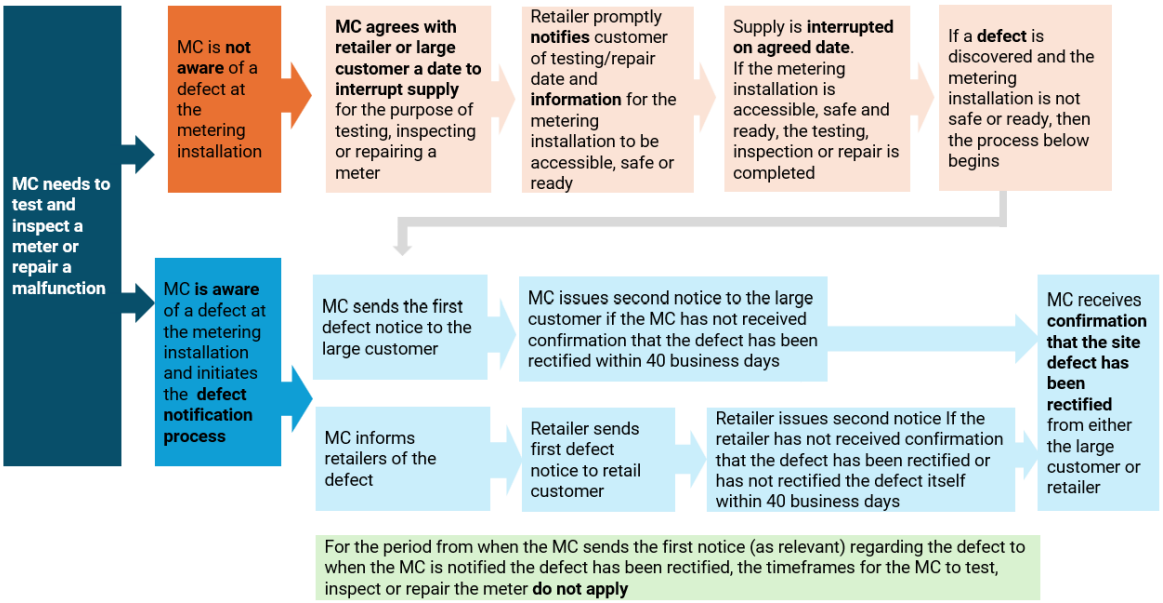
5. The process starts again if the customer at the connection point changes	• If a new customer moves into the premises part way through the above process, the new customer will likely not be aware of the defect at a metering installation. Hence, the notification process must start again:
	  • If the large customer appointed the MC, the MC will send a notice to the large customer informing them of the defect and requesting them to remedy it.
	  • If the retailer appointed the MC, the retailer must send a notice to its customer informing them of the defect and requesting the large customer to remedy it.

6. The process starts again if the MC at a connection point changes	• To reduce the risk that customers switch MCs to avoid having to repair a defect at a metering installation, as explained in Yurika's rule change request, our final rule will require the new MC at the connection point to start the notification process again.[1]

Source: Final rule clauses 7.9A.1 and 7.9A.2.[1]Yurika, Changes to the meter testing framework for large customers rule change request, p. 8.

Figure 3.1 below illustrates how our final rule will work in practice.

Figure 3.1: How retailers and large customers are required to cooperate and assist MCs with their obligations under our final rule



Source: AEMC

3.2.1 Our final rule responds to stakeholder feedback to ensure the defect notification process is consistent with existing arrangements

Many stakeholders supported introducing a notification and tracking process where MCs are unable to test, inspect or repair metering installations due to a defect. However, stakeholders considered that the draft rule was inconsistent with the existing defect notification process for installing meters:[67]

- AGL and EnergyAustralia considered that the draft rule implied that retailers are responsible for rectifying defects, which is inconsistent with existing arrangements. They suggested clarifying retailers are not responsible for ensuring defects are rectified.[68]
- Stakeholders considered the draft rule is inconsistent with existing arrangements to require MCs to issue defect notices. They suggested making retailers solely responsible for issuing defect notices to retail customers, informing customers of site defects and requesting customers rectify them.[69]
- EnergyAustralia sought further clarity on requirements on retailers and MCs once the defect notification process is complete and customers have not rectified the defect.[70]

Origin opposed the process, preferring a principle-based requirement.[71]

Our final rule better aligns the defect notification process, which applies where defects prevent testing, inspecting or repairing meters, with a similar existing process that applies where defects prevent meter installations.[72] This is by:

- making it clearer that:
  - if a retailer appointed the MC, the retailer must send the retail customer defect notices, notifying the retail customer of a defect at the metering installation and request the retail customer rectify the defect[73]
  - if a large customer appointed the MC, the MC must send the large customer defect notices, notifying the large customer of a defect at the metering installation and request the large customer rectify the defect[74]
- pausing the timeframe for MCs to inspect, test or repair in cases where there is a defect at a metering installation, and the MC has notified the person who appointed the MC (retailer or large customer) of the defect at the metering installation.[75]

We note stakeholders' views that retailers should be responsible for sending defect notices for all retail customers, regardless of who appointed the MC. We consider it appropriate to make MCs responsible for sending defect notices to customers when they are appointed by a large customer. This is because MCs have a direct relationship with the large customer, and will mirror commercial arrangements and incentives.

We consider there may be circumstances in which customers are unable or unwilling to rectify defects at metering installations upon being informed by their retailer. For example, the customer may need to incur significant cost to rectify the defect, or the customer resides in a rental

67 Under rule 59AAA of the NERR, retailers are responsible for informing customers of a site defect where the defect prevents retailers from installing meters within specified timeframes in the NER.

68 Submissions to the draft determination: AGL, p. 4; EnergyAustralia, p. 3.

69 Submissions to the draft determination: Bluecurrent, p. 1; PLUS ES, p. 1; Intellihub, p. 4; Energy Queensland, p. 4.

70 EnergyAustralia, submission to the draft determination, p. 3.

71 Origin, submission to the draft determination, p. 3.

72 Rule 59AAA of the NERR.

73 Clause 7.9A.1.

74 Clause 7.9A.2.

75 Clauses 7.9A.1(f) and 7.9A.2(e).

property. To account for these circumstances that are outside MCs' control, the final rule clarifies MCs are not required to test, inspect or repair a malfunction until a defect at the metering installation that prevents the MC from doing so is rectified. This is consistent with existing arrangements in respect of installing meters. This would minimise wasted visits by MC and costs passed down to consumers.

4 Providing MCs with greater flexibility to test and repair meters

This chapter sets out the Commission's final rule and rationale to:

1. Amend the existing malfunctions exemption framework - enabling MCs to apply to AEMO for an exemption that has a longer time period than the exemption period specified in AEMO's existing Exemption Procedure (section 4.1).
2. Introduce an exemption framework for MCs' testing obligations - enabling MCs to apply to AEMO for an exemption where the metering installation is not accessible, safe or ready to be tested (section 4.2).

Box 2 provides an overview of these changes under our final rule.

Box 2: Exemptions for MCs to test metering installations and repair malfunctions within specified timeframes

In addition to support from retailers or large customers (see chapter 3), MCs may require additional flexibility to meet the specified timeframes in the NER in certain circumstances.

Where a metering installation is not accessible, safe or ready for an MC to repair a malfunction, our final rule will enable MCs to apply to AEMO for an exemption. This means our final rule will specify two types of exemptions:

- A new exemption for specific circumstances outside MCs' control, the end date of which will be determined by AEMO on a case by case basis in accordance with the Exemption Procedure. MCs can apply for this type of exemption where a metering installation is not:
  - accessible eg, where the MC is unable to access the premises or metering installation because the metering installation is behind a locked gate
  - safe or ready for the MC to repair a malfunction eg, where there is a defect at the metering installation, such as asbestos.
- The existing exemption, where the metering installation is accessible, safe and ready but there are other issues, will continue to apply for other circumstances and is set out in AEMO's Exemption Procedure (allowing an exemption with a period of 15 business days for individual failures and 70 business days for family failures).

As per the existing requirement, MCs will be required to include a rectification plan in their exemption application to AEMO.

Similarly, our final rule will enable MCs to apply to AEMO for an exemption to the testing timeframes in the NER or their asset management strategy (as applicable). The final rule will enable this by introducing an exemption framework for testing of metering installations, similar to the framework outlined above for malfunctions. MCs will be required to include a testing plan in their exemption application to AEMO.

Different to the draft rule, MCs would not be able to apply to AEMO for an exemption from inspection timeframes in the NER or their asset management strategy (as applicable). This is because MCs already have some flexibility to meet their inspection obligations through their asset management strategy. This will encourage MCs to use alternative approaches, such as remote inspections where appropriate, to inspect meters, thereby avoiding the need for an exemption.

AEMO must update its existing exemptions procedure, and/or develop an additional exemptions procedure, to reflect these changes to the NER and provide additional guidance as to how the new exemption frameworks will work.

4.1 Amending the exemption framework for repairing malfunctions within specified timeframes in the NER

This section outlines:

- our final rule on the malfunctions exemption framework (section 4.1.1)
- our rationale behind the final rule (section 4.1.2)
- refinements stakeholders suggested, which the Commission has not adopted into the final rule and our rationale (section 4.2.2).

4.1.1 Our final rule will provide MCs more flexibility to repair malfunctions

Our final rule will introduce greater flexibility over the length of time MCs may be exempt from their obligation to repair malfunctions within timeframes in the NER (exemption period). MCs will be afforded this flexibility, giving them more time to try to repair a malfunction, where a metering installation is not accessible, safe or ready for an MC to repair a malfunction. This means that under our final rule, there will be two types of exemptions, as described in Table 4.1.

Table 4.1: Our final rule will clarify two types of exemptions

Exemption type	Applicable situations	When the exemption will end
Exemption for specific circumstances outside MCs' control[1]	Where the metering installation is not: • accessible eg, where the MC is unable to access the site or metering installation because the metering installation is behind a locked gate • safe or ready for the MC to repair a malfunction eg, where a metering installation is behind a locked gate, and the MC cannot secure access to the metering installation.	On a date AEMO considers appropriate for the MC's circumstances, determined by AEMO on a case by case basis in accordance with the procedures.
Exemptions for other circumstances (the existing framework)[2]	Other situations where MCs are unable to repair malfunctions within the specified timeframes in the NER eg, where MCs need more time to repair a family failure due to its size.	After the standard period of time specified in AEMO's malfunction Exemption Procedure (after the exemption period of 15 business days for individual failures and 70 business days for family failures).

Source: [1]Clause 7.8.10(b1)(2)(i) of the final rule [2]See draft clause 7.8.10(b1)(2)(ii), existing clause 7.8.10(b) of the NER and AEMO, Exemption Procedure, p. 7.

Enabling MCs to apply for an exemption where a metering installation is not accessible, safe or ready, will complement the new obligations on retailers and large customers, discussed in chapter 3. This is because, in practice, we expect MCs to apply for this exemption only if they are unable to meet the timeframes specified in the NER with the support of the retailer or large customer.

Consistent with existing arrangements, MCs must provide AEMO with a rectification plan when applying for an exemption.[76] We expect a rectification plan to explain why MCs were unable to meet the timeframes, including whether the:

- metering installation is not accessible, safe or ready for the MC to repair the malfunction
- MC requested any support from the party that appointed the MC (generally, this will be the retailer or large customer) and how this person assisted or is assisting the MC.

AEMO's Exemption Procedure[77] will outline what should be included in a rectification plan. Other information we expect MCs to include in the rectification plan is outlined in Box 3 below.

As discussed in section 3.2.1, if there is a defect at a metering installation preventing the MC from repairing the malfunction, the MC is not required to meet these obligations until the MC has received confirmation from the retailer or large customer that the defect has been rectified.

Box 3: Information MCs could provide in a rectification plan

Particularly for an exemption that has a longer time period, we expect AEMO to specify in its Exemption Procedure that a rectification plan must include:

- how the MC has attempted to repair the malfunction, including what support the MC has received from the retailer or large customer as per their obligation under our final rule
- what steps the MC will take to repair the malfunction within the exemption period
- any other information for AEMO to determine when the exemption should expire.

AEMO will retain discretion around what MCs must include in a rectification plan. This information will not be specified in the Rules.

Based on the information and MCs' rationale in these rectification plans, AEMO will determine the appropriate date on which it will revoke an exemption or the length of an exemption period.[78] For example, a rectification plan could specify a date the retailer or large customer has agreed to facilitate access to a customer's premises. AEMO will grant an exemption for a period up until that date if AEMO is satisfied that the MC could not have repaired the malfunction before that date.

AEMO's Exemption Procedure must outline the process under which AEMO may vary or revoke an exemption.[79]

This is different to existing arrangements, where the length of exemption periods are already specified and fixed under AEMO's Exemption Procedure for all MCs.[80] The final rule seeks to enable flexibility in the length of an MC's exemption period or the timing of its end, depending on the specific circumstances associated with site issues that prevent the MC from ensuring the malfunction is repaired.

In administering the exemption process, we expect AEMO to:

- allow MCs to obtain an exemption only after they have sought support from the retailer or a large customer, where needed, to test or repair a metering installation

76 Clause 7.8.10(c) of the NER.

77 AEMO's existing malfunction Exemption Procedure is available here: https://www.aemo.com.au/-/media/files/electricity/nem/retail_and_metering/market_settlement_and_transfer_solutions/2025/exemption-procedure-meter-installation-malfunctions-v14.pdf

78 Clause 7.8.10(b1)(2)(i) of the final rule.

79 Clause 7.8.10(b1)(1) of the final rule.

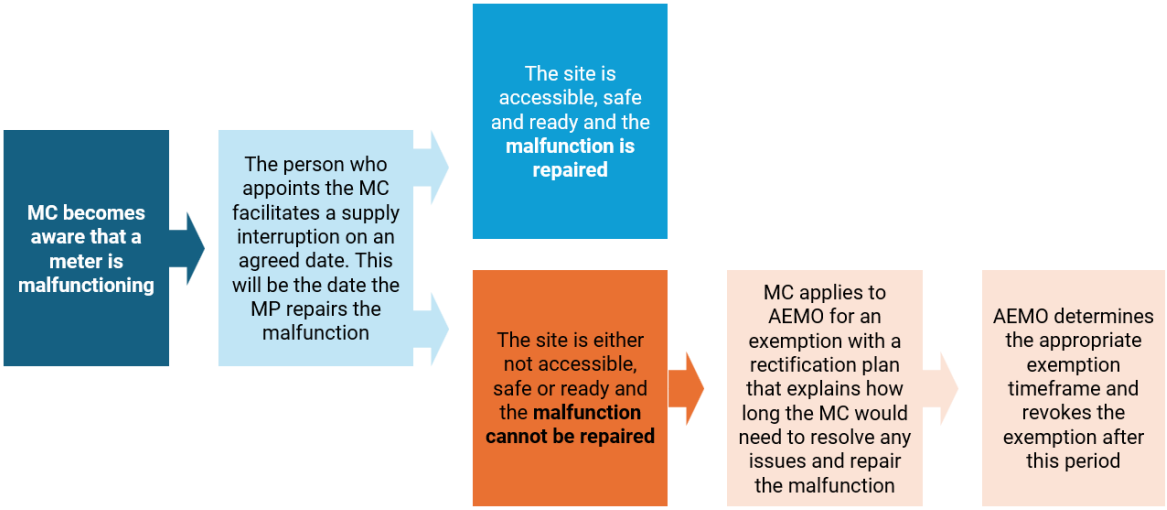
80 AEMO, Exemption Procedure, p. 7.

- allow extensions to an exemption where an MC has demonstrated that circumstances outside their control have not changed since obtaining the exemption and are still unable to test or repair the metering installation eg, the meter is behind a locked gate and cannot access to repair the malfunction or have not been able to arrange for a supply interruption to carry out repairs
- base their decisions on an objective qualitative assessment of the information that MCs provide through rectification plans and testing plans to justify the need for an exemption.

We also expect this of AEMO in administering the exemption process for testing requirements, which is explained below in section 4.2.

Figure 4.1 below shows a high-level overview of the malfunctions exemption process under our final rule.

Figure 4.1: The malfunctions exemption process under the final rule



Source: AEMC

4.1.2 Our final rule will appropriately balance MCs' non-compliance risk and the risk of malfunctions never being repaired

Enabling MCs to apply for an exemption will mitigate the risk of MCs being penalised for issues outside their control

The Commission considers that MCs should not be penalised for non-compliance due to circumstances beyond their control. That is, for not being able to repair malfunctions within specified timeframes in the NER where MPs cannot access the premises, despite MCs making sufficient efforts to meet their obligations. The Commission views that enabling MCs to apply for an exemption with a longer period than those specified in AEMO's Exemption Procedure will:

- give MCs more time to repair malfunctions with the support of retailers or large customers
- mitigate MCs being penalised for these site issues outside their control.

The exemption framework will minimise administrative costs and encourage MCs to test and repair meters when it is within their control to do so

The Commission views that allowing AEMO to have discretion and flexibility as to when to revoke an exemption (flexibility on the exemption period), which is granted where a metering installation is not accessible, safe or ready, will reduce the administrative costs for MCs and AEMO of

applying and processing possibly multiple extensions to an exemption. This is because not all circumstances involving a lack of site access are the same, so there is likely no single timeframe that covers all circumstances without requiring multiple extensions. For example, 'Customer A' may provide the MP access to a metering installation at a later date than 'Customer B'. This means the MC would need a longer exemption for 'Customer A' than for 'Customer B', as the MP can only repair a malfunction once the MP can access the metering installation.

Importantly, our final rule will retain incentive for MCs to continue trying to resolve site issues that prevent them from repairing malfunctions. It does not exempt MCs from repairing them indefinitely, minimising the risk that meters will never get repaired. This is because, for the MC to obtain and retain an exemption with a longer period from our final rule, we expect MCs to demonstrate to AEMO ongoing effort and a plan to repair a malfunction. AEMO may consider revoking the MC's exemption where AEMO does not observe, or no longer observes, reasonable efforts from the MCs.

AEMO may provide guidance on the grounds or conditions on which it may revoke an exemption.

4.1.3 Several MCs consider the exemption framework should extend to family failures

Metering parties, except Energy Queensland, disagreed with the draft determination that MCs can effectively manage repair of family failures. Bluecurrent and PLUS ES noted:

- a family failure could indicate a malfunction with a larger population of meters, rather than a subset identifiable by batch or production date
- creating smaller family failures so that it is manageable for MCs to repair meters within NER timeframes can increase testing and compliance costs
- the scale of a family failure is difficult to predict in advance
- timely replacement will depend on workforce availability, meter supply, site access and other operational constraints
- delaying testing prolongs the period in which malfunctions are not detected, hindering proactive risk management.

The Commission considers the regulatory framework should incentivise MCs to manage supply chain issues or operational constraints. Therefore, the exemption framework should not be used, as these issues are within MCs' control to manage. The Commission also notes MCs are not required to repair a large population of a family failure to be compliant with the NER or AEMO's Metrology Procedure. As noted in the draft determination, while smaller families would involve higher testing costs due to more sample testing, we consider it important to prioritise data accuracy and reduce risk to customer billing and market settlement. This is opposed to lower testing costs, which would be passed onto consumers, but a higher risk of prolonging malfunctions and inaccuracy in metering data.

4.2 Introducing an exemption framework for testing requirements

This section outlines:

- our final rule on an exemption framework for testing (chapter 4)
- how we considered stakeholder feedback to the draft determination (section 4.2.2 and section 4.3).

4.2.1 Providing MCs more flexibility to test metering installations

Consistent with our changes to the exemption framework for malfunctions, we consider it important that the Rules recognise MCs may not be able to meet their testing obligations where there are site access issues, despite seeking support from the party that appointed the MC to resolve them.

Our final rule will introduce an exemption framework for testing timeframes specified in Schedule 7.6.1 of the NER or the MC's asset management strategy (as applicable). Different to our draft rule, our final rule does not introduce an exemption framework for inspection timeframes, which we explain further in section 4.2.2.

The underlying issues that make it challenging for MCs to test meters within specific timeframes are similar to those that make it challenging for MCs to repair malfunctions within those same timeframes. Namely, MCs may need a supply interruption or access to a metering installation. The exemption framework for testing is thus similar to the exemption framework to repair malfunctions under the final rule:

- MCs may apply to AEMO for an exemption only in limited circumstances where a premises is not accessible, safe or ready eg, where the MC is unable to access the site or metering installation because the metering installation is behind a locked gate.[81]
- AEMO will determine the appropriate timeframe for the exemption on a case-by-case basis, rather than applying a standard timeframe in an exemption procedure. This will support lower administrative costs on MCs and AEMO and reduce the likelihood of further administrative steps to extend exemption timeframes. However, extensions may still be required in limited circumstances. For example, the MC has not been able to arrange a supply interruption with a large customer in order to test the metering installation by the end date of the first exemption period AEMO has granted to an MC.

Figure 4.2 provides a high-level overview of the exemption process for testing under the final rule.

Our final rule requires MCs to provide AEMO with a proposed schedule for testing as part of their application.[82] This will be consistent with the existing malfunctions process, which requires MCs to provide AEMO with a rectification plan at the time of applying for an exemption.

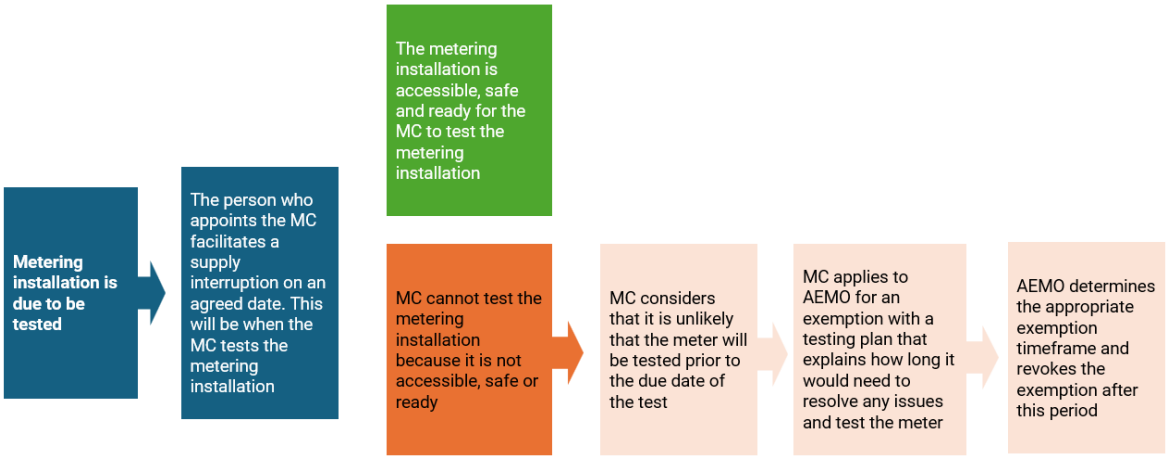
AEMO's Exemption Procedure will include guidance on what should be included in a testing plan. While AEMO has full discretion on the form of this guidance, it could include:

- how the MC has attempted to test the metering installation, including what support the MCs has received from the retailer or large customer, as required under our final rule (see chapter 3)
- what steps the MC will take to test the metering installation within the exemption period.

As discussed in section 3.2.1, if there is a defect at a metering installation that prevents the MC from testing it, the MC is not required to test the metering installation until the MC has received confirmation from the retailer or large customer that the defect has been rectified. An MC is therefore not required to seek an exemption to test the metering installation where there is a defect at the metering installation. The defect notification process under the final rule would pause the time an MC has to test a meter until the customer rectifies the defect.

81 Clause 7.9.1(o)(2) of the final rule.
82 Clause 7.9.1(p)(2) of the final rule.

Figure 4.2: The testing exemption process under the final rule



Source: AEMC

Our final rule will impose implementation costs for AEMO to establish and administer an exemption framework for testing requirements. We consider these costs to be:

- low because they build on an existing exemption framework
- appropriate to:
  - ensure MCs continue to try to test and inspect metering installation in accordance with the NER, supporting accuracy in customer billing and market settlement
  - mitigate MCs being penalised for non-compliance with their obligations due to site issues outside their control to resolve.

4.2.2 Stakeholders had mixed views on the exemptions framework for both testing and inspection under the draft rule

Most stakeholders supported introducing an exemption framework for both testing and inspection timeframes in the NER or MCs' asset management strategies. This is because the challenges to test and inspect metering installations within specified timeframes are similar. PLUS ES noted the key barriers for MCs to inspect metering installations include challenges with coordinating a supply interruption with a large customer and securing access to the metering installation.[83]

AEMO acknowledged it can be challenging for MCs to inspect metering installations where a supply interruption is required to inspect metering installations at high-voltage connection points. However, they viewed an exemption framework for inspection requirements would not be appropriate because:[84]

- MCs can inspect metering installations, particularly small customers' metering installations, remotely or use alternative inspection methodologies that do not require physical access to the metering installation to meet inspection requirements
- allowing MCs to apply for an exemption from inspection requirements would discourage MCs from developing or using alternative approaches to inspect metering installations
- challenges for MCs to inspect metering installations are materially different in nature from those associated with testing and malfunction repairs.

83 Submissions to the draft determination: PLUS ES, p. 7; Energy Queensland, p. 7; EUAA, p. 2; Bluecurrent, p. 3; AGL, p. 5; Origin, p. 4.

84 AEMO, submission to the draft determination, pp. 2, 3.

The Commission has reconsidered its draft position to introduce an exemption framework for inspection requirements. We no longer consider it necessary because we:

- consider there are few circumstances where MCs may not be able to meet their inspection requirements, noting from bilateral conversations with the AER, we understand that MCs have not reported challenges to meet their inspection obligations to date
- agree with AEMO that an exemption to inspect metering installations may discourage MCs from using alternative approaches to inspect metering installations. The Commission considers MCs should inspect small customer metering installations remotely, where practicable, which encourages MCs to leverage the remote communications capability of smart meters
- anticipate our final rule to help MCs secure the supply interruptions needed to inspect metering installations in most cases, as retailers or large customers are required to facilitate supply interruptions upon MCs' request (as explained in section 3.1)
- consider that changes to the NER are not required to provide MCs with more flexibility to inspect metering installations in these circumstances. AEMO can provide MCs with sufficient flexibility through its procedures and MCs' asset management strategies, taking into account MCs' operational and technical challenges.

We encourage AEMO and MCs to work collaboratively to determine how MCs can meet inspection requirements in AEMO's Metrology Procedure and whether updates to the procedure are necessary in light of MCs' challenges in practice. This is particularly important as the Commission understands it can be challenging for MCs to meet some minimum requirements for a physical inspection outlined in AEMO's current Metrology Procedure.[85]

4.3 Stakeholders suggested other changes to the exemption frameworks for the final rule

4.3.1 Most MCs preferred enabling exceptions to the testing and inspection requirements as opposed to exemption frameworks

Most MCs suggested an exemption framework would be administratively costly on AEMO and MCs due to high volumes of applications for exemptions, and potentially additional applications to extend an exemption. As such, they considered the NER should enable MCs to obtain an automatic exception from their obligations to test, inspect and repair metering installations to bypass the application process and avoid administrative costs on AEMO and MCs. To ensure MCs continue to try to fulfil their obligations, MCs suggested an annual independent audit of the steps the MC has taken to manage site issues and achieve compliance.[86]

The Commission consider the exemption frameworks remain appropriate because it:

- ensures MCs maintain efforts to overcome issues associated with the site/metering installation (eg, lack of site access) and achieve compliance with their testing and repair obligations. We consider that the proposed auditing mechanisms would not sufficiently encourage MCs to test or repair meters
- provides AEMO with discretion to give MCs additional time, where AEMO considers it is appropriate. An automatic exception would be non-discretionary. We acknowledge that AEMO may not have perfect information to assess exemption applications. However, we consider there is value in AEMO's assessment as opposed to a non-discretionary mechanism.

85 AEMO, Metrology Procedure Part C, p. 26.

86 Submissions to the draft determination: PLUS ES, p. 1; Intellihub, p. 3; Energy Queensland, pp. 7,8.

4.3.2 Most MCs suggested the Rules to constrain AEMO's discretion over the exemption process

Under the draft rule, AEMO has discretion over whether and how long MCs may obtain an exemption from rectifying malfunctions within specified timeframes in the NER. Metering parties indicated concerns AEMO would not reasonably grant MCs exemptions or extensions to an exemption despite no changes in circumstances and MCs taking reasonable steps to comply with specified timeframes in the NER or AEMO's Procedure. As such, they suggested the Rules include an assessment criterion or principles AEMO must consider in assessing and determining the length of an exemption. They considered this would provide MCs with regulatory certainty and mitigate MCs' non-compliance risk.[87]

AEMO sought guidance from the Commission on how it expects AEMO to administer time-limited exemptions, such as the expected duration of exemptions and whether they are time-bound or capable of extension.[88]

Noting MCs' concerns on AEMO's discretion over the exemption process, we consider an assessment criterion or principles in the Rules would:

- be unlikely to provide MCs with regulatory certainty or reduce MCs' compliance risk, as MCs should only obtain an exemption where they have sufficiently demonstrated to AEMO reasons for an exemption and MCs have sought support from the retailer or large customer
- reduce flexibility for AEMO to change how it administers the exemption process to reflect relevant issues and business practices in the future.

87 Submissions to the draft determination: PLUS ES, p. 13; Intellihub, p. 3; Energy Queensland, p. 7; Bluecurrent, p. 4.

88 AEMO, submission to the draft determination, pp. 3,4.

5 Improving information sharing and transparency about meter testing and compliance

This chapter sets out:

- the Commission's final rule on requiring:
  - the previous MC appointed to a connection point to ensure the test certificates for a metering installation, where available, are accessible to the new MC at a connection point within 10 business days upon the new MC's request
  - MCs to provide metering compliance information in accordance with the MSATS procedures.
- changes to the draft rule for the final rule and the Commission's rationale, considering stakeholder feedback and our own further analysis.

Box 4: Requirements on MCs appointed to a connection point

Our final rule requires:

- The previous MC appointed to a connection point to ensure the test certificates for a metering installation, where available, are accessible to the new MC at a connection point within 10 business days upon the new MC's request. This requirement:
  - will commence on 1 September 2026
  - is not a new requirement since our draft rule.
- MCs to provide metering compliance information in accordance with the MSATS procedures. This requirement:
  - will commence on 30 November 2028
  - is a new requirement since the draft rule.

5.1 Our final rule will require MCs to ensure test certificates are accessible for newly appointed MCs

From 1 September 2026, if a FRMP appoints a new MC at a connection point, our final rule requires the previous MC at that connection point to ensure the test certificates (provided on purchase of a metering installation)[89] are available for the new MC within 10 business days upon the new MC's request.[90]

In practice, this will mean MCs have the flexibility to determine the most efficient or cheapest way to make test certificates for metering installations that are available accessible to new MCs. For example, sharing copies of test certificates via email or B2B communications, or incorporating copies of testing certificates in a future Market Settlement and Transfer Solutions (MSATS) upgrade, or if the industry develops another platform to automate sharing testing certificates at lower-cost, they can opt to do that.

89 Schedule 7.6.1(a) of the NER.
90 Schedule 7.6.1(b1) of the final rule.

5.1.1 Our final rule will minimise unnecessary and duplicative costs

When the equipment in a metering installation is tested for accuracy upon purchase, MCs obtain a test certificate.[91] Under current arrangements, MCs must retain a copy of this certificate as proof a metering installation has been tested in accordance with the accuracy requirements under the NER.[92]

Some metering installations may not need to be tested again by a new MC appointed to a connection point until the next relevant testing time under the NER. This is if the previous MC holds an appropriate test certificate for that metering installation, which indicates the timing of the purchase-related test.

The final rule will support new MCs appointed to a connection point in avoiding carrying out additional testing where the previous MC holds an appropriate test certificate for that metering installation. This will avoid new MCs appointed to a connection point incur unnecessary testing costs, which would be passed down to consumers.

The cost of testing and inspecting meters to MCs and ultimately to consumers is material. Whilst we have not undertaken a formal cost-benefit analysis, we consider that in the long term, the cumulative cost savings to consumers of avoiding unnecessary meter tests will likely outweigh implementation costs (eg, system build to enable certificate transfer) and the higher regulatory burden on MCs. This is because the implementation costs to MCs to share the test certificate and any short-term costs incurred to establish a sharing platform, framework or process, will likely be small.

To manage any administrative cost impacts on MCs to make test certificates accessible, our final rule will provide MCs with the flexibility to determine the least cost way to make testing certificates accessible. We consider this approach will enable the industry to determine the most cost-effective way to share testing certificates and amend or adapt how they share and access test certificates over time as new platforms or systems are potentially being built in the future.

We consider it important for the Rules to clarify that MCs make test certificates accessible to new MCs only upon the new MC's request and where these test certificates are available. This will avoid the unintended consequence that the previous MC:

- unnecessarily provides the new MC with test certificates where the new MC seeks to obtain its own test certificate
- will be in breach of the rules for not providing a certificate where the old MC did not have (and was not required to have) that certificate.

In response to the draft determination and draft rule, several stakeholders supported this new requirement on previous MCs.[93] Stanwell suggested test certificates could be made available and accessible through MSATs for new MCs.[94] The Commission notes the final rule provides the industry with flexibility to adopt the lowest-cost approach, which could include using MSATS.

5.2 Our final rule will require MCs to provide information on the compliance status of metering installations

From 30 November 2028, MCs will be required to make information on the compliance status of metering installations regarding testing, inspection or repair requirements available in accordance

91 NER Schedule 7.6.1(a).
92 Schedule 7.6.1(b) of the NER.
93 Submissions to the draft determination: EUAA, p. 1; Intellihub, p. 2; Stanwell, p. 4; AGL, p. 5; EnergyAustralia, p. 1.
94 Stanwell, submission to the draft determination, p. 4.

with the MSATS Procedures.[95] This is a new requirement since the draft rule. We expect AEMO's MSATS procedures to specify the information MCs must share through MSATS. AEMO must update the MSATS procedures by 1 November 2027.

5.2.1 Our final rule will provide transparency on MCs' compliance with testing, inspection and repair obligations

The Commission recognises the value of having greater information available to the market on the compliance status of metering installations. Greater transparency on the compliance status will support the implementation of this rule change and ongoing monitoring of MCs. For example, AEMO may use this information to:

- verify MCs' requests for an exemption and/or an extension to an exemption period from testing or repair timeframes specified in the NER
- track MCs' progress in meeting testing, inspection or repair requirements and determine whether it is appropriate to revoke an exemption.

Based on advice from AEMO, the final rule will require this transparency requirement to be implemented through MSATS. The final rule does not specify what information about the compliance status MCs must make available to AEMO and registered participants through MSATS. We expect AEMO to specify this in its MSATS procedures, which must be published by 1 November 2027.

AEMO suggested visibility on the compliance status of metering installations may not necessarily require material system changes, as it may be possible to implement status flags through AEMO's existing procedures (eg, MSATS procedures) and standing data frameworks.[96] However, AEMO noted in discussions and its submission to the draft determination that, given the current pipeline of IT system changes, they may need additional time to make this change. As such, they proposed a commencement date of 30 November 2028, which the Commission considers is reasonable.[97]

Beyond costs to AEMO, the Commission does not anticipate significant costs to MCs, given they currently record and maintain this information internally.

Our final rule responds to feedback from AEMO and Stanwell in submissions to the draft determination that strong visibility of the compliance status of metering installations is important to support effective implementation of the final rule and ongoing monitoring. They considered this would:[98]

- improve visibility across market participants
- support informed decision-making by current and prospective FRMPs, including
- assist market bodies in monitoring trends and market participants' behavioural changes.

The Commission received other suggestions for transparency measures

JEC suggested requiring MCs to report to the AER on exemption applications, their duration and the circumstances necessitating an exemption, to discourage MCs from potentially misusing the exemption process and to reduce the risk of delays in repairing malfunctions.[99] The Commission does not consider additional measures for oversight and transparency would add value beyond the existing arrangements. Under existing arrangements, MCs are required to provide AEMO with a

95 Clause 7.9.1A of the final rule.
96 AEMO, submission to the draft determination, p. 4.
97 AEMO, submission to the draft determination, p. 5.
98 Submissions to the draft determination: AEMO, p. 5; Stanwell, p. 4.
99 JEC, submission to the draft determination, pp. 1-2.

rectification plan at the time of applying for an exemption from malfunction rectification timeframes. This provides transparency over MCs' needs/requests for exemptions. Further, as per AEMO's current malfunction exemption procedure, MCs' rectification plans must include the reason for the application for an exemption and a description of the circumstances that require an exemption.[100]

100 AEMO, Exemption Procedure, pp. 7-8.

A Rule making process

A standard rule change request includes the following stages:

- a proponent submits a rule change request
- the Commission initiates the rule change process by publishing a consultation paper and seeking stakeholder feedback
- stakeholders lodge submissions on the consultation paper and engage through other channels to make their views known to the AEMC project team
- the Commission publishes a draft determination and draft rule (if relevant)
- stakeholders lodge submissions on the draft determination and engage through other channels to make their views known to the AEMC project team
- the Commission publishes a final determination and final rule (if relevant).

In this case, the Commission has followed the process above after formally consolidating four rule change requests:

- PLUS ES's compliance with metering testing requirements (ERC0419)
- AEMO's supporting metering compliance (ERC0422)
- Intellihub's Improving the metering installation maintenance framework (ERC0423/RRC0071)
- Yurika's Changes to the meter testing framework for large customers (RRC0070).

The new project name is 'Supporting compliance with meter maintenance obligations' with project code ERC0419/RRC0070.

You can find more information on the rule change process on our website.[101]

A.1 Intellihub proposed a rule to improve the framework around testing, inspection and malfunction repairs for electricity meters

The rule change request from Intellihub proposes amendments to the NER to improve the regulatory framework governing metering installation and maintenance, with a particular focus on enhancing how MCs meet their testing, inspection and repair obligations for meters when faced with barriers beyond the MC's control.

Intellihub's rule change request suggests there are four potential issues with the existing framework, namely:

1. Some HV customers are not supporting the metering installation maintenance requirements - 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.[102]
2. MCs are not obligated to share copies of HV VT and HV CT test certificates - Requesting HV VT or HV CT test certificates can be an inefficient administrative process due to the reliance on the goodwill of individual people, because there is no obligation to share a copy of the test

101 See our website for more information on the rule change process: https://www.aemc.gov.au/our-work/changing-energy-rules
102 Intellihub, rule change request, p. 5.

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.[103]

3. FRMPs are not obligated to support the metering installation maintenance process - an MC can request a FRMP to initiate the process for a supply interruption, but 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.[104]
4. AEMO's metering installation malfunction procedure unreasonably limits the exemption period - AEMO's Exemption Procedure limits the allowable periods for an exemption and exemption extensions, even when there is an impediment that is outside of the MC's control.[105]

Intellihub's rule change request proposed amending the rules to address these core issues. The rule change request proposed to:

- require retailers to inform large customers that MCs are required to test and inspect metering installations - with the intention of improving customer compliance with MC testing, inspection and repairs[106]
- introduce a safeguard for cases where a large customer does not fulfil their role in assisting MCs to perform testing obligations through an exemption framework[107]
- require retailers to arrange supply interruptions to assist MCs in performing testing obligations[108]
- require the previous MC to provide a copy of meter test certificates.[109]

Intellihub states that its proposed rule changes would contribute to both the NEO and NERO by improving:

- confidence and fairness in energy billing by improving the metering installation maintenance framework for large customers
- safety outcomes by enabling MCs to identify and rectify safety-related issues and risks sooner
- market efficiency by more efficient market processes and outcomes. Also, the removal of MCs' non-compliance risk and lower administrative costs through clear obligations on relevant parties in the meter maintenance process.[110]

A.2 PLUS ES proposed a rule to enable MCs to comply with their testing and inspection obligations

The rule change request from PLUS ES suggests the current metering framework does not adequately support MCs in meeting their compliance obligations. PLUS ES suggested there are no commercial incentives for the party that appointed the MC (retailer or large customer) to include the meter maintenance component of the MC obligations into the commercial agreement, which opens the possibility of compliance obligations being excluded through competitive tension.[111]

103 Intellihub, rule change request, p. 5.
104 Intellihub, rule change request, p. 6.
105 Intellihub, rule change request, p. 6.
106 Intellihub, rule change request, p. 8.
107 Intellihub, rule change request, p. 9.
108 Intellihub, rule change request, p. 9.
109 Intellihub, rule change request, pp. 9-10.
110 Intellihub, rule change request, p. 13.
111 PLUS ES, rule change request, p.3.

PLUS ES proposed to introduce a requirement in the NER that the terms of appointment of the MC ie, the contract between retailers and MCs or large customers and MCs for metering services) include all the MC's testing and inspection obligations at a reasonable commercial rate.[112] The rule change request suggests that this proposed change would support compliance and cost recovery for meter maintenance. This is because retailers or large customers would have a contractual obligation to support MCs' compliance with meter maintenance obligations, which is expected to reduce other barriers to performing testing (eg, gaining site access) to reflect the commercial agreement.

PLUS ES states its proposed rule change to support MCs' compliance with HV CT/VT meter testing obligations would contribute to the NEO by:

- improving efficiency. MCs would secure assistance from third parties that have the power to help overcome barriers to meeting compliance obligations (ie, the retailer or large customer). This would save wasted efforts and costs. MCs would also be able to recover costs for meter maintenance activities[113]
- maintaining competition for metering services. MCs would still compete for the delivery of metering services to the person appointing the MC. Rather, it would encourage MCs to develop the most efficient and workable way to recover costs for its metering services, including testing and inspection[114]
- compliance and improved assurance of metering accuracy. MCs would be able to achieve full compliance with requirements of the NER. Also, retailers and customers can have confidence in the accuracy of metering for market settlement and customer billing.[115]

A.3 AEMO proposed a rule to strengthen metering compliance and improve UFE allocation fairness

The rule change request from AEMO seeks to enhance the metering compliance framework for high-voltage distribution connection points by sharing accountability for metering installation compliance and revising the UFE allocation methodology to incentivise compliance.

AEMO's rule change request suggests there are several issues with the current NER, including:

- misaligned accountability - The NER gives MCs obligations they cannot always fulfil due to lack of direct access rights to the metering installation, which creates a dependency on the FRMP-customer relationship, yet there is no rule-based obligation on FRMPs to facilitate access for MC testing and inspections. This exposes MCs to civil penalties for non-compliance despite their inability to control the main barrier to compliance, and leaves FRMPs, who are better positioned to secure access, without a regulatory incentive or obligation to act[116]
- ineffective incentives under UFE allocation - the current UFE allocation methodology is indifferent to compliance status with FRMPs that have a non-compliant metering installation facing no additional settlement costs relative to a fully compliant FRMP. This is despite the non-compliant meter having an increased likelihood of contributing to UFE. This undermines the "causer pays" principle and fails to incentivise the resolution of access issues.[117]

112 PLUS ES, rule change request, p.4.
113 PLUS ES, rule change request, p. 8.
114 PLUS ES, rule change request, p.8.
115 PLUS ES, rule change request, pp.8-9.
116 AEMO, rule change request, p.7.
117 AEMO, rule change request, p. 7.

AEMO proposed four changes to the NER to address these issues:

- Clarifying the definition of 'metering installation' to explicitly mean that the metering installation is compliant with testing and inspection requirements in the NER, which would make the FRMP expressly accountable for ensuring the MC is able to carry out its obligation at the risk of civil penalties.[118]
- Requiring retailers to assist MCs in meeting their testing and inspection obligations within a specific time, again encouraging FRMPs to assist in addressing meter access barriers.[119]
- Changing how UFE is allocated among retailers as FRMPs, to add a financial incentive for FRMPs to address non-compliant meters.[120]
- Requiring DNSPs to provide advance notice of planned outages, to assist MCs in coordinating their compliance activities.[121]

AEMO views that its proposed rule change would contribute to the NEO by:

- better aligning costs and obligations with parties best placed to manage them, and ensuring that metering parties are able to fulfil their obligations under the NER
- reducing UFE from metering installations being non-compliant with testing and inspection requirements
- improving pricing through lower settlement inaccuracies that affect retail pricing
- enhancing competition by preventing non-compliant participants from benefitting from an indirect cost advantage over those who invest in compliance assurance
- encouraging efficiency through ongoing investment in metering integrity and timely rectification of faulty meters and reducing risk of distorted market settlement outcomes from a high proportion of non-compliant metering installations.[122]

A.4 Yurika proposes a rule to amend the HV CT/VT meter framework

The rule change request from Yurika seeks to enable retailers to energise and de-energise large customer premises to incentivise large customers to support meter maintenance activities.

Yurika suggested there are several issues with the current framework in its rule change request, namely:

- MCs lack powers under the NER to require large customers to co-operate with respect to testing obligations
- large customers can churn between MCs without holding valid test certificates that demonstrate their metering installation is compliant with NER obligations
- existing MCs of non-compliant customers are unable to terminate their appointment unless a new MC is willing to accept the role, therefore MCs may be stuck with non-compliant customers if an alternate MC is unwilling to inherit the compliance obligation.[123]

Yurika's proposed solution is to enable retailers to disconnect a large customer's premises to facilitate meter testing. Yurika considers this would appropriately share responsibility between large customers and MCs for testing and inspecting metering installations. Yurika proposes the following three changes to facilitate the appropriate enforcement action for metering compliance:

118 AEMO, rule change request, p. 9.
119 AEMO, rule change request, p.9.
120 AEMO, rule change request, p.10.
121 AEMO, rule change request, pp.9-10.
122 AEMO, rule change request, pp. 15-16.
123 Yurika, rule change request, p.5.

- Introducing a new power in the NERR for retailers to 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.
- Requiring retailers to arrange for re-energising a large customer's premises.
- Amending MC's testing responsibility in the NER from an absolute to a best endeavours obligation.[124]

Yurika suggested its proposed rule change would contribute to both the NEO and NERO by improving:

- safety outcomes: performance of the metering installation would be supported, protecting the safety and security of related equipment and personnel as irregular testing can increase the risk of defects and failure (eg, explosive failure or leaks) and compromise safety outcomes
- network security: instrument transformers can support network reliability and security as they provide metering data to AEMO to effectively operate and monitor the network
- financial accuracy: there would be reduced risk of over-billing at the expense of the customer, or under-billing at the expense of the retailer
- market efficiency: there would be more efficient operation of the meter testing framework with regulatory risks appropriately shared between all relevant stakeholders.[125]

A.5 The rule change process to date

On 4 December 2025, the Commission published a notice advising of the initiation of the rule-making process and consultation in respect of the consolidated rule change requests.[126] The Commission also published a consultation paper identifying specific issues for consultation. The Commission received 13 submissions on the consultation paper. Issues raised in these submissions were summarised and responded to in the draft rule determination.

On 26 March 2026, the Commission published a draft rule determination, including a draft electricity rule (but no draft retail rule). The Commission received 16 submissions on the draft rule determination. Issues raised in submissions have been considered in developing the final determination and final electricity rule, and are summarised and responded to in this final determination.

During the course of the rule change, we also held bi-lateral discussions with stakeholders to discuss technical and other issues related to the rule change.

124 Yurika, rule change request, pp. 11-13.
125 Yurika, rule change request, pp. 15-16.
126 This notice was published under section 95 of the NEL and 251 of the NERL.

B Legal requirements to make a rule

This appendix sets out the relevant legal requirements under the NEL for the Commission to make a final rule determination.

B.1 Final rule determination and final rule

In accordance with section 102 of the NEL and 259 of the NERL, the Commission has made this final rule determination for a more preferable final electricity rule (and no final retail rule) in relation to the rule proposed by the proponents.

The Commission's reasons for making this final rule determination are set out in chapter 2.

A copy of the more preferable final electricity rule is attached to and published with this final determination. Its key features are described in chapters 3-5.

B.2 Power to make the final rule

The Commission is satisfied that the more preferable final rule falls within the subject matter about which the Commission may make rules.

The more preferable final electricity rule falls within section 34 of the NEL as it relates to:

- the activities of persons (including Registered participants) participating in the national electricity market or involved in the operation of the national electricity system
- facilitating and supporting the provision of services to retail customers
- the regulation of persons providing metering services relating to the metering of electricity.[127]

B.3 Commission's considerations

In assessing the rule change requests the Commission considered:

- its powers under the NEL to make the final rule
- the rule change requests
- submissions received during first round consultation
- the Commission's analysis as to the ways in which the final rule will or is likely to contribute to the achievement of the NEO
- submissions received during second round consultation
- the application of the final rule to the Northern Territory (section 2.2.2).

There is no relevant Ministerial Council on Energy (MCE) statement of policy principles for this rule change request.[128]

B.4 Civil penalty provisions and conduct provisions

The Commission cannot create new civil penalty provisions or conduct provisions. However, it may recommend to the energy ministers that new or existing provisions of the NER be classified as civil penalty provisions or conduct provisions.

127 NEL sections 34(1)(a)(iii)-(iv) and 34(1)(aa), and NEL Schedule 1 item 29.

128 Under s. 33 of the NEL the AEMC must have regard to any relevant MCE statement of policy principles in making a rule. The MCE is referenced in the AEMC's governing legislation and is a legally enduring body comprising the Federal, State and Territory Ministers responsible for energy.

The NEL sets out a three-tier penalty structure for civil penalty provisions in the NEL and the NER.[129] A Decision Matrix and Concepts Table,[130] approved by energy ministers, provide a decision-making framework that the Commission applies, in consultation with the AER, when assessing whether to recommend that provisions of the NER should be classified as civil penalty provisions, and if so, under which tier.

After consulting with the AER, the Commission plans to make the following civil penalty recommendations to energy ministers in relation to the final rule.

Table B.1: Civil penalty provision recommendations

Provision	Description of provision	Proposed classification	Reason
New clause 7.6.2A in the NER	If a person has appointed an MC, and the MC has requested the person's reasonable assistance, so the MC can comply with its obligations to test, inspect and repair meters, the person must provide that assistance.	Classify as Tier 2 civil penalty	Failure by the person who appointed the MC to comply with this provision may prevent MCs from complying with their obligation to test and inspect metering installations, or repair malfunctions in accordance with the NER. This could cause inaccuracies in customer billing and market settlement, negatively impacting the efficient operation of energy services.
New clauses 7.9A.1 and 7.9A.2 in the NER	Where there is a defect at a metering installation, the MC or retailer must provide the customer up to two notices of the defect to encourage them to rectify it, so the MC can comply with its obligations to test, inspect and repair meters.	Classify as Tier 3 civil penalty	Failure by the retailer or MC to provide customers with notices on defects at a metering installation will make it challenging for MCs to comply with their obligation to test and inspect metering installations, or repair malfunctions in accordance with the NER.

129 Further information is available at https://www.aemc.gov.au/regulation/energy-rules/civil-penalty-tools

130 The Decision Matrix and Concepts Table is available at: https://web.archive.org.au/awa/20210603104757mp_/https://energyministers.gov.au/sites/prod.energycouncil/files/publications/documents/Final%20-%20Civil%20Penalties%20Decision%20Matrix%20and%20Concepts%20Table_Jan%202021.pdf

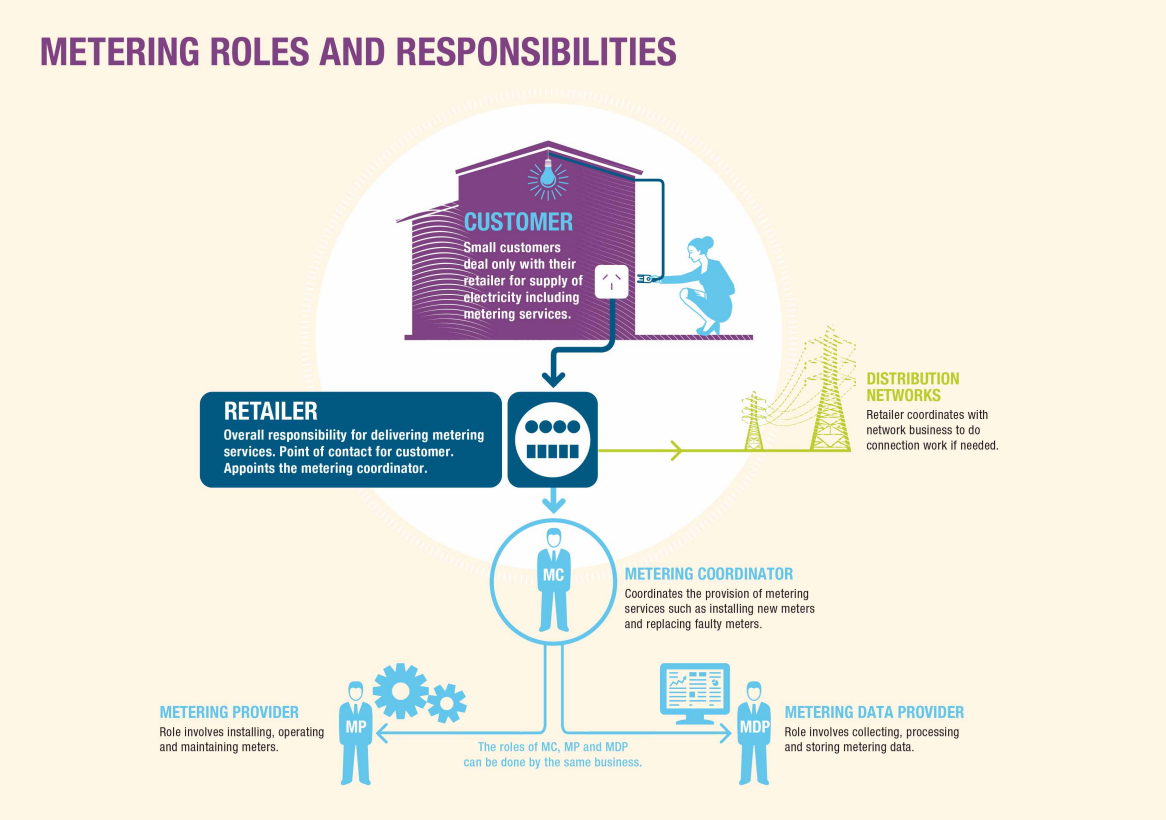
Provision	Description of provision	Proposed classification	Reason
New clause 7.9.1(p)(2) in the NER	When requesting an exemption, the MC must provide AEMO with a proposed schedule for testing and inspection required by Schedule 7.6.1 of the NER.	Classify as a Tier 2 civil penalty	Failure by MCs to comply with this administrative requirement will reduce clarity over whether metering installations will be tested and inspected. This civil penalty would be consistent with the civil penalty tier for the existing requirement on MCs to provide AEMO with a rectification plan at the time of applying to AEMO for an exemption to malfunction rectification timeframes in the NER (clause 7.8.10(c)).

C Current arrangements

C.1 Roles and responsibilities under the regulatory framework for metering services

This appendix outlines the current roles and responsibilities of the parties involved in delivering metering services, including the retailer, DNSP, MC, MP, and Meter Data Provider (MDP).

Figure C.1: Metering roles and responsibilities



Note: In addition to the retailer, in some circumstances a large customer can also appoint an MC at a connection point. See section 2.1.1 of the consultation paper for a description of where a retailer appoints an MC and where a large customer appoints an MC.

Retailer

Under the NER, retailers are responsible for arranging metering services for small customers.[131] Retailers must appoint an MC for each of their small or large customers' connection points.[132] In general, the retailer provides instructions to the MC for any metering work needed by the customer. Retailers currently have a responsibility to notify small customers about defects at a metering installation for the purpose of installing meters. The final rule seeks to expand this obligation to apply to large customers for the purposes of testing and inspecting metering installations, and repairing malfunctions.

MC, MP and metering data provider (MDP)

131 This is part of their responsibility as the FRMP.

132 Clause 7.2.1(a) of the NER. Under clause 7.6.2(a)(3), a large customer may appoint its own MC.

The MC has overall responsibility for all issues related to the metering installations for which it has been appointed. The MC appoints a metering provider for each connection point[133] to provide, install and maintain the meter installation.[134] The MC also appoints a metering data provider who is responsible for the collection and processing of metering data. Any person can perform one or more of these three metering roles provided that they are registered and accredited by AEMO. In practice, most MC businesses are also registered and accredited as metering providers and metering data providers. Most of the time, MCs are appointed by retailers but, in some circumstances, MCs can be appointed by large customers directly. An MC and the person who appoints them negotiate the specific arrangements independently, as metering services are a competitive market.

DNSP

The DNSP is the metering coordinator (and metering provider and meter data provider) for existing manually read meter installations, until the meter is replaced and the retailer appoints a new MC.[135]

The DNSP may arrange supply interruptions for the purpose of planned or routine maintenance of metering equipment.[136]

133 Other than for a connection point with a type 7 meter installed which are used for unmetered connections, for example, streetlights.

134 Clauses 7.3.2(a) and 7.8.1(c) of the NER.

135 Clause 11.86.7 of the NER.

136 As defined in Rule 88(b) and the process set out in rule 90 of the National Energy Retail Rules (NERR).

Abbreviations and defined terms

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
Commission	See AEMC
CT	Current transformer
DNSP	Distribution Network Service Provider
EUAA	Energy Users Association of Australia
FRMP	Financially Responsible Market Participant
HV	High voltage
JEC	Justice and Equity Centre
MC	Metering Coordinator
MDP	Metering Data Provider
MSATS	Meter Settlement and Transfer Solutions
MP	Metering Provider
NEL	National Electricity Law
NEM	National Energy Market
NEO	National Electricity Objective
NER	National Electricity Rules
NERO	National Energy Retail Objective
NMI	National Metering Identifier
Proponent	The individual / organisation who submitted the rule change request to the Commission
UFE	Unaccounted for energy
VT	Voltage transformer