

Session 1

Overview of the draft rule

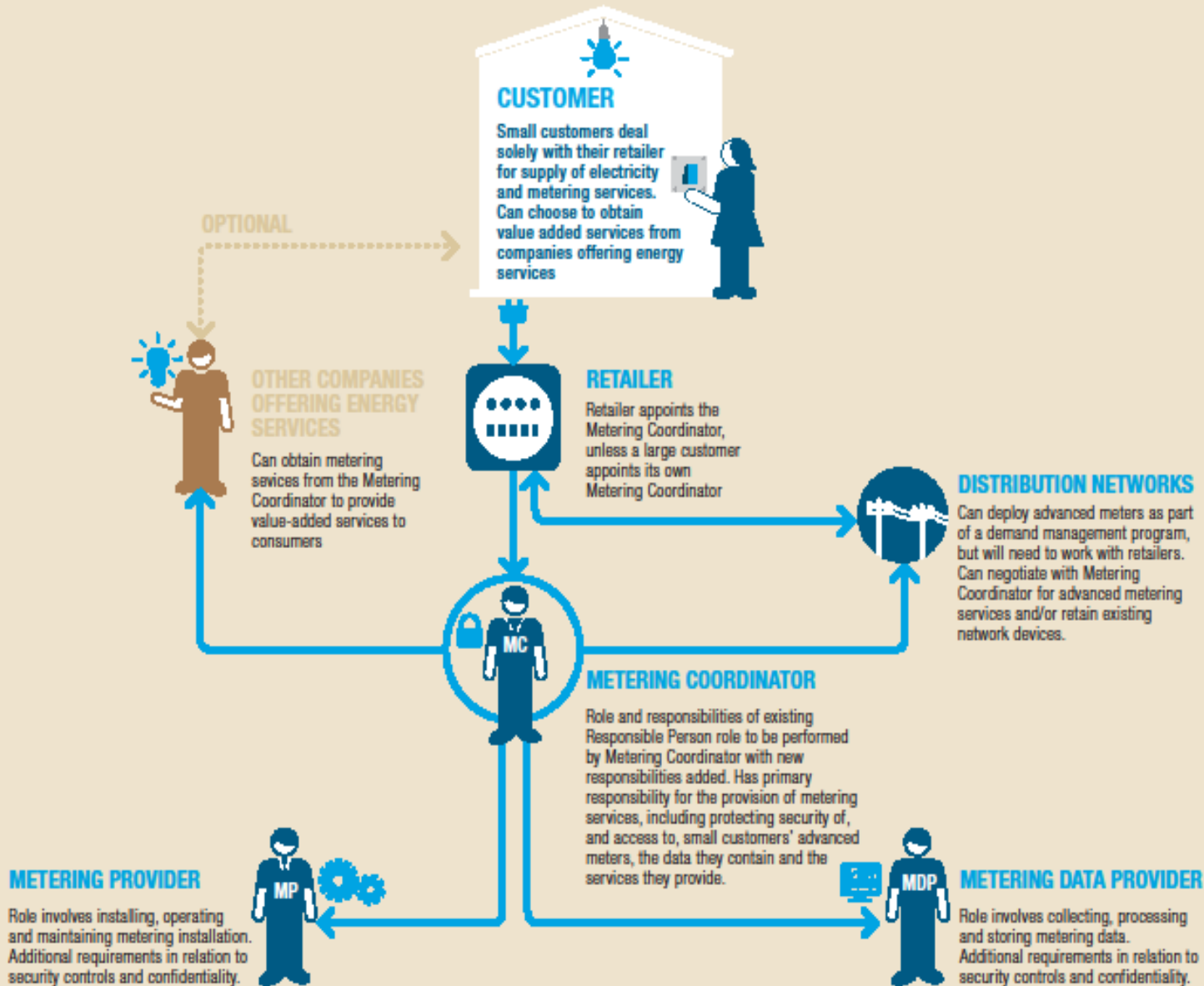


Delivering the objectives of the rule change

- Efficient investment in metering services that supports increased consumer choice in electricity products and services and consumer participation.
- Delivered through a competitive framework that supports a market-led and consumer driven approach to the deployment of advanced meters.
- Consistent with the NEO.
 - Efficient investment in metering services that deliver services consumers value at a price they are willing to pay.
 - Supports the deployment of advanced meters which can provide the information and means for consumers to understand, monitor and adjust their electricity usage to reflect their needs and preferences.
 - Efficiency of the national electricity system as a whole.

ROLES AND RESPONSIBILITIES

Clarifying, expanding and opening up existing roles will promote competition in the provision of metering services to improve consumer choice and control while protecting customers.



None of these roles are new: all exist under the current rules but some new responsibilities have been added relating to advanced metering services.

Any person could perform the Metering Coordinator, Metering Provider and Metering Data Provider roles subject to accreditation and registration requirements.

Efficient investment in metering services

- No exclusivity arrangements for MC role will support competition – any registered party can be an MC;
- Arrangements to support a level playing field:
 - a retailer that wishes to establish a MC business must do so through a separate legal entity; and
 - AER required to develop distribution ring-fencing guidelines.
- Introduction of a minimum services specification.
- Maximise likelihood of investment by minimising regulatory risks by not imposing access regulation at market start.

Consumer participation and choice

- Services consumers want are more likely to be offered when retailers appoint the MC.
- Simple and practical for small customers.
- Large customers can choose and appoint their own MC.
- Additional protections introduced for small customers around third party access to data and services.
 - Rules set out who is able to obtain data and services, and imposes obligations on the MC to prevent unauthorised access.
- Consumers are able to opt out of having their existing working meter replaced under a “new meter deployment”.

Efficiency of the NEM

- Subject to any applicable jurisdictional safety regulations, retailers may arrange remote disconnections and reconnections directly with the MC.
 - Safety risks of multiple parties performing disconnection/reconnection services managed with information sharing requirements. This is also a potential role for jurisdictional safety regulators.
- Networks are able to deploy advanced meters as part of a demand management program (but will need to work with retailers and MCs).
- Networks are able to retain existing network devices.
- Ability for networks, retailers and third parties to negotiate with the MC for services provided via the metering installation.
- Provides a platform for a range of benefits to potentially flow to consumers through better information, cost reflective pricing, new products and services, better retail services and better network services.

Implementation issues

- The majority of customers in Victoria already have advanced meters under the AMI program.
 - The draft rule contains arrangements to support a smooth transition to the NEM-wide competitive framework.
- The proposed commencement date for the new framework is 1 July 2017.
 - The draft rule contains transitional requirements to ready the market for the commencement date.