



## Victorian jurisdictional derogation - advanced metering infrastructure

### Stakeholder submissions invited on rule change request

**The Victorian Government is seeking a jurisdictional derogation in relation to meters installed under the Advanced Metering Infrastructure (AMI) program in Victoria.**

#### The rule change request

The requested rule change would extend for up to three years the effect of an existing derogation from some of the metering provisions in chapter 7 of the National Electricity Rules.

The existing derogation was put in place to allow the deployment of AMI in Victoria. It makes distribution businesses exclusively responsible for metering services for Victorian small electricity customers, meaning that retailers are prevented from providing these metering services. The existing derogation is due to expire on 31 December 2013.

#### Reason for rule change request

If the derogation is not extended, the metering rules that are currently derogated away from in Victoria would come into force. That means that - nominally at least - retailers would be able to provide AMI metering services. For metering competition to occur in practice, a number of processes and systems would need to be developed.

Such processes and systems will be established as part of the national framework for competition in metering and related services for residential and small business customers, which the Standing Council on Energy and Resources (SCER) has agreed to progress. However, the national framework will not be established before the current derogation expires.

The Victorian Government has identified a number of detrimental impacts that would result from the introduction of metering competition in Victoria from January 2014, in advance of the national framework. These relate to possible loss of benefits from the Victorian AMI program, the lack of adequate customer protection arrangements and the costs of establishing specific Victorian arrangements to enable metering competition.

The Victorian Government is therefore seeking a new derogation that would preserve distribution business exclusivity for small customer metering services for another three years, or until national arrangements for competition in metering and associated services are implemented.

#### Effect of rule change request

The effect of making a new derogation consistent with the rule change request would be:

- Distribution businesses would continue to have the exclusive right to act as the responsible person for AMI meters for Victorian small customers.
- AMI meters would continue to be designated as type 5 or type 6 metering installations. In the absence of the derogation, AMI meters would be classified as type 4 metering installations as they can be remotely read.
- To make clear that retailers are not responsible for costs associated with AMI meters at their connection points, to the extent that these costs can be recovered by distribution businesses in accordance with the AMI Cost Recovery Order (a Victorian Order in Council).

Submissions on the consultation paper are due by 1 August 2013.

- For the purposes of the rules, the metering data performance standards for market settlement for AMI meters would continue to be those that apply to manually read meters, despite these meters being remotely read. However, distribution businesses would be required to meet the Minimum AMI Service Levels Specification (Victoria) which governs the standards for daily remote collection of metering data.
- The derogation would continue until the rules are amended to provide a national framework for competition in metering and related services for residential and small business customers. If the rules are not so amended by 31 December 2016, the derogation would expire.

### Consultation process

The AEMC has published a consultation paper to facilitate public consultation on the Victorian Government's rule change request. The paper contains background information on the rule change request and identifies a number of questions and issues to facilitate consultation on the changes proposed.

The rule change request contains the Victorian Government's analysis of the costs, benefits and efficiency impacts associated with making the rule. The consultation paper includes a summary of these arguments.

Copies of the rule change request and consultation paper are available on the AEMC's website.

The AEMC invites submissions from all interested stakeholders by 1 August 2013.

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