



## Power of choice: enabling metering technology reforms

### Consultation on implementation timetable

**This information note provides an overview of the proposed implementation timetable for the AEMC's competition in metering and related services rule change and associated work by AEMO and the AER to implement the rule change. Stakeholders' comments are sought on the timetable for implementation.**

**Metering reforms are part of the overall Power of Choice reform package. This information note also provides an update on the status of the various components of the Power of Choice reforms.**

The AEMC also today published a separate information sheet on an extension to the timetable for the competition in metering rule change.

### [The AEMC has developed a draft implementation plan for metering reforms in consultation with AEMO and the AER](#)

The AEMC recognises that there are significant inter-linkages between the various Power of Choice projects that are currently being undertaken and that there is a need for coordination between the market institutions. This will assist implementation of these reforms in a smooth and timely manner for all stakeholders.

The AEMC has developed a draft implementation plan for the competition in metering rule change and related work in consultation with AEMO and the AER that takes into account:

- existing work and future rule changes and advice by the three institutions;
- projected timeframes for completion for each of these projects; and
- timeframes required for AEMO to implement the necessary system and business process changes to implement the proposed new rules.

The attached implementation plan and timetable covers:

- The current AEMC rule change on competition in metering and related services.
- AEMO's advice to the COAG Energy Council on the smart meter minimum services specification, which supports the AEMC's competition in metering rule change.
- The AEMC and AEMO's work on the shared market protocol for services enabled by smart meters. The AEMC will provide advice to the COAG Energy Council on the implementation and governance of the shared market protocol, including a draft rule change request, in mid-2015. The AEMC intends to commence this advice with a consultation paper in December 2014 or January 2015. AEMO is also currently consulting on advice to the COAG Energy Council on the content of the shared market protocol.
- Work by AEMO and the Information Exchange Committee to update existing procedures, including the metrology, MSATS, B2B and service level procedures, as a result of the competition in metering rule change.
- Work by AEMO to make the necessary IT changes to its market systems. These changes can only be made in systems releases that occur in May and November each year.
- The AER's work to develop and consult on a national ring-fencing guideline for network businesses. This guideline will be required for the competition in metering rule change, but it will also cover other services in addition to metering.

### **We are seeking stakeholder comments on the implementation timetable**

We welcome stakeholder comments on whether the proposed timeframes are appropriate and achievable.

We are also seeking stakeholders' input on how long they need to make the necessary changes to their systems and business processes to comply with the proposed new metering rules.

We understand that stakeholders will require sufficient time to update their systems and business processes and undertake testing, and that some of those processes cannot be completed until after AEMO's procedure and system changes have been completed. Network businesses will also need time to comply with the AER's new ring-fencing guideline before it commences.

We would appreciate information on how long these industry processes are expected to take, how much can be done in parallel with the AEMC, AEMO and AER's work, and how much needs to wait until those regulatory processes have been completed.

We are conscious that stakeholders may not be able to provide exact timeframes until the draft rule determination is published and stakeholders have more details about the proposed rules and related matters including the content of the minimum services specification and shared market protocol. However, we would appreciate as much input from stakeholders as possible at this stage to help us design a workable implementation timetable, including determining a commencement date for the competition in metering rule change.

Stakeholder comments are due by 11 December 2014 and can be submitted on the AEMC's website.

For information contact:

AEMC Senior Director, **Richard Owens** (02) 8296 7800

AEMC Senior Adviser, **Kate Reid** (02) 8296 7800

Media: Communication Manager, Prudence Anderson 0404 821 935 or (02) 8296 7817

Date 20 November 2014

## Metering reforms: draft implementation plan

Workstream	2014		2015												2016												2017	
	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D		
<b>Rule changes and advice</b>																												
AEMC competition in metering rule change																												
AEMO minimum services specification advice																												
AEMO shared market protocol advice																												
AEMC shared market protocol implementation advice																												
COAG Energy Council to submit rule change request on shared market protocol <sup>1</sup>																												
AEMC rule change on shared market protocol <sup>2</sup>																												
<b>Updates to procedures and systems</b>																												
AEMO updates to procedures, including metrology, MSATS and service level procedures <sup>3</sup>																												
Information Exchange Committee updates to B2B procedures <sup>3</sup>																												
AEMO updates to market systems																												
Industry systems and business process changes and testing	<b>Submissions are sought from stakeholders on the timeframe required for these changes</b>																											
<b>AER guidelines</b>																												
AER development of national ring-fencing guideline <sup>5</sup>																												
Period for network businesses to comply with AER guidelines	<b>Submissions are sought from stakeholders on the timeframe required for these changes</b>																											

See the following page for notes

**Notes:**

1. Assumes COAG Energy Council submits a rule change request within 3 months of receipt of the AEMC's final advice.
2. Assumes rule change request can be fast-tracked (ie only one round of consultation instead of usual two rounds), based on prior consultation during the advice process.
3. Timeframes are approximate and depend on the details of the rule changes, minimum services specification and shared market protocol. This timeframe includes an initial period for development of the draft procedures, plus the process required to consult on the proposed procedures. It assumes development of the draft procedures commences when the draft determination on the rule change is published. Procedure changes resulting from the competition in metering rule change could be completed by approximately April 2016, but this timeframe may extend until November 2016 if procedure changes are required to implement the shared market protocol and those changes cannot be consulted on and finalised until completion of the shared market protocol governance rule change.
4. AEMO systems updates only occur in May and November each year.
5. The AER expects to require approximately ten months to complete this guideline and would prefer to commence this work following publication of the AEMC's rule change final determination.

## Attachment: Power of Choice reform package

The work program related to enabling metering technology is part of the broader Power of Choice reform program. The Power of Choice reform program covers three key areas:

- **Consumer information:** consumers are able to make informed choices about the products and services that best suit their needs and circumstances.
- **Tech savvy innovations:** allowing the market to open up to new metering and technology options.
- **Network reform:** networks providing cost reflective prices which consumers can use to make decisions about how they consume energy.

The current timetable for each of the relevant projects is provided below.

Rule changes	Status
Competition in metering and related services	Draft determination due 26 March 2015 Final determination due 2 July 2015
Customer access to information about their energy consumption	Final determination published 6 November 2014
Distribution network pricing arrangements	Draft determination published 28 August 2014 Final determination due 27 November 2014
AEMO obtaining better demand side participation information	Consultation paper published 11 September 2014 Draft determination due 18 December 2014
Reform of demand management embedded generation incentive scheme	Expect to publish consultation paper in Q1 2015
Aligning network and retail tariff structures for small consumers	Expect to publish consultation paper in Q1 2015
Embedded networks	Expect to publish consultation paper in Q1 2015
Multiple trading relationships	AEMO developing rule change request: expected to be submitted in December 2014. Expect to publish consultation paper in Q1 2015.
AEMC reviews and advice	Status
Electricity customer switching	Final report published 10 April 2014. Recommendations from the review to be considered by COAG Energy Council in December 2014.
Framework for open access and common communication standards for smart meters	Final report published 10 April 2014. Implementation advice on the shared market protocol to be provided to COAG Energy Council by July 2015.
AEMO advice	Status
Advice on smart meter minimum functionality specification	AEMO advice to COAG Energy Council due November 2014.
Advice on shared market protocol	AEMO consultation underway. AEMO advice to COAG Energy Council due February 2015.
COAG Energy Council work	Status
Demand response mechanism	Cost-benefit analysis undertaken by Oakley Greenwood to be considered by COAG Energy Council in December 2014.
Regulation of new products and services in the national electricity market	Issues paper being developed by COAG Energy Market Reform Working Group.
Implementation of national smart meter consumer protection and safety review recommendations	Draft changes to National Energy Retail Rules currently under consultation.