

22 October 2015

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Dear Mr Pierce

**RE: AEMC Draft Determination – Embedded Networks Rule 2015 (ERC0179)**

The NSW Distribution Network Service Providers, Ausgrid, Endeavour Energy and Essential Energy (the NSW DNSPs) welcome the opportunity to support the AEMC's draft determination regarding the *National Electricity Amendment (Embedded Networks)* proposed rule.

In our submission to the consultation paper, we supported clarifying that the Local Network Service Provider (LNSP) or DNSP is responsible for electricity supply to the parent connection point of an embedded network. We noted in our submission that it should be the Embedded Network Manager (ENM) who has the obligation to support National Electricity Market (NEM) activities for customers within embedded networks. We also sought further clarification regarding:

- whether the broad definition of 'embedded networks' may inadvertently include single customer private networks;
- that LNSPs should not automatically be the Responsible Person (Metering Coordinator) for metering within embedded networks for any type of meter;
- the register of life support customers should be the responsibility of the ENM and Embedded Network Operator (ENO) must not disconnect supply to a life support customer without making arrangements for their safety;
- that the ENM be responsible for the calculation of distribution loss factors (DLFs) for customers within an embedded network if required.

We note that the AEMC's Draft Determination largely address the above concerns. The NSW DNSPs support the AEMC's draft determination, as it provides greater certainty regarding the responsibilities relating to embedded networks than under the original Rule change request, and as such is likely to better promote the National Electricity Objective.

In respect of life support, the draft determination has clarified that the ENO will be required to notify the parent connection point LNSP of any life support arrangements within the embedded network. It would then be the responsibility of the LNSP to inform the parent connection point retailer. We consider it would be preferable to modify this requirement so that the ENO would inform the retailer of the parent connection point who would then be required to advise the respective LNSP. This proposed arrangement would align to the existing, well established process where the customer advises their retailer who is then required to inform the LNSP in accordance with the B2B process.

We also consider it would be of value to stakeholders if the AEMC defer the release of the final rule until at least three weeks after the final metering competition rule change is published. The AEMC could use this brief delay to provide stakeholders with an opportunity to review a mark-up of the final rule against the final metering competition Chapter 7. It has been difficult to review the draft rule against the existing Chapter 7 and draft metering competition Chapter 7 to confirm the appropriateness of the changes. The NSW DNSPs would value an opportunity to review a mark-up of the final metering competition Chapter 7 given the additional changes being considered to the metering competition draft rule.



If you have any queries or wish to discuss further please contact Murray Chandler, Group Manager Network Technology & Innovation at Networks NSW on (02) 9249 7210 or via email at [murray.chandler@ausgrid.com.au](mailto:murray.chandler@ausgrid.com.au).

Yours sincerely

A handwritten signature in black ink that reads 'J. Hardwick'.

John Hardwick  
**Group Executive Network Strategy**  
**Ausgrid, Endeavour Energy and Essential Energy**