



29 September 2015

Richard Owens
Senior Director
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

AEMC Reference: ERC0169/RRC0002

Dear Mr Owens

RE: Expanding competition in metering and related services - additional consultation on specific issues

ERM Power Limited (ERM Power) welcomes the opportunity to respond to the Australian Energy Market Commission's (the Commission) paper for additional consultation on specific issues for the rule change request titled *Expanding competition in metering and related services* (the Paper).

About ERM Power Limited

ERM Power is an Australian energy company that operates electricity generation and electricity sales businesses. Trading as ERM Business Energy and founded in 1980, we have grown to become the 4th largest electricity retailer in Australia, with operations in every state and the Australian Capital Territory. We are also licensed to sell electricity in several markets in the United States. We have equity interests in 497 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland, both of which we operate.

A subsidiary of ERM Power, Powermetric Metering Limited (Powermetric) gained accreditation as a Metering Provider (MP) and Metering Data Provider (MDP) in 2014.

Arrangements for accessing energy and metering data

The Paper proposes amendment to the draft National Electricity Rules (the Rules) released with the draft determination relating to arrangements for participants to access energy and metering data. ERM Power has identified two issues with the proposed amendments, discussed below.

Data for retail quoting

ERM Power is concerned that the proposed arrangements do not allow retailers to access the information required to provide timely quotes for consumers who are not existing customers. The Commission previously made a final rule determination in relation to EnergyAustralia's rule change request titled *Access to NMI Standing Data*. This rule change request was concerning a retailer's need to access NMI standing data for potential customers in order to provide a quote. The Commission's final determination was that retailers should have access to NMI standing data through MSATS, and inserted rule 7.7(a1) into the Rules to clarify that intent (emphasis is ERM Power's):

Without limiting paragraph (a), a Customer who engages in the activity of selling electricity to end users is entitled to access or receive NMI Standing Data...

This rule has been translated to rule 7.15.5(e)(1) in the amended draft Rules as follows:

(e) Without limiting this clause 7.15.5 or clause 7.13.3:

(1) a retailer may receive NMI Standing Data;...

ERM Power is concerned that the intent of the original rule 7.7(a1) has not been retained in the proposed amended drafting. This is because the amended drafting allows a retailer to *receive* data, but removes the entitlement to *access* it through MSATS.

Further, rule 7.11.1(d) does not require AEMO to provide access to a retailer who is not the Financially Responsible Market Participant (FRMP) for a premises. Under the proposed amended rule, access is only required to be provided to those parties listed in 7.15.5(c)(1) – (5), and does not include a retailer who is not the FRMP. This list includes “Registered Participants with a financial interest in the metering installation or the energy measured by that metering installation”, however we note that the Commission’s final determination on the *NMI Access to Data* rule change request did not consider that this description would capture a retailer who was not the FRMP.

If the Commission does not allow a retailer who is not the FRMP to access NMI standing data through MSATS, the retailer’s only options would be to receive data by commercial arrangement (which may come at a cost) or by request to the relevant distribution business under amended draft rule 7.13.3. This rule requires the distribution business to provide a retailer with the NMI standing data for a premises within two business days from the request. Given the significant volume of customer quotes that retailers perform every day, reliance on the distribution businesses to provide data to support this activity would be highly resource intensive for both retailers and distributors. The two business day response timeframe would represent a significant time delay compared to current MSATS access and would hinder retail competition.

We recommend that the amended draft rule 7.11.1(d) (or 7.15.5(c)) is amended to require AEMO to provide retailers who are not the FRMP with access to MSATS. Rule 7.15.5(e)(1) should also be amended to provide retailers with the right to access this data.

Metering data service database

The Commission proposes new obligations on the MDP to provide a range of parties with access to the metering data services database (its internal database for data associated with the customers it serves). ERM Power does not believe these new obligations are warranted, as would lead to unnecessary costs as outlined below.

The Paper indicated that distribution businesses believe they need this access in order to meet a range of regulatory obligations. ERM Power disagrees with this view, as distribution businesses do not currently have access to MDPs’ metering data service databases (assuming the systems of their associated businesses are appropriately ring-fenced) and we are not aware of any systemic breaches that have resulted. Obviously distribution businesses should have the right to receive data related to sites within their distribution zones, however we believe they should continue to receive this via existing means.

The amended draft rule specifically requires MDPs to provide access to both metering data and NMI standing data in the metering data service database, and we comment on each data set separately.

- **NMI standing data**

NMI standing data is a set of data describing the information associated with a NMI. Different participants are responsible for contributing elements of this data. For example, the distributor is responsible for assigning the NMI, and the MDP is responsible for much of the information relating to the metering installation. These data elements are submitted to AEMO, and AEMO stores the master dataset in MSATS. Currently, all parties access MSATS to retrieve NMI standing data.

The NMI standing data that MDPs store in their metering data service databases is a copy of the data stored in MSATS. We see no benefit in allowing parties to access MDP's systems to retrieve this rather than accessing MSATS directly. We believe that access to MSATS continues to be the most appropriate approach to parties sourcing NMI standing data, and oppose the proposal to require MDPs to provide access to NMI standing data in its metering data service database.

- **Metering data**

MDPs are fully responsible for the accuracy of metering data, and have an obligation to provide this to relevant parties to allow them to meet their obligations. There are a range of transactions that facilitate the provision and verification of metering data between parties currently in operation today. It is unclear why the expansion of metering competition would require these parties to access data directly from within the MDPs' metering data service databases.

We understand that many MDPs currently provide retailers with access to specific secure areas of this database by commercial arrangements, as a value-added (discretionary) service. We also understand that retailers generally do not use this access for a majority of their metering data queries, as it is more efficient to receive data via market transactions. We believe this should remain a discretionary service.

Even if a new need for access was identified, the benefits of providing access should be carefully weighed against the associated costs. In order to meet this obligation, MDPs would be required to establish or update existing web portals to designate the level of access required to each of the parties listed in 7.15.5(c). ERM Power is unaware of any benefits that would justify these costs.

We therefore oppose the Commission's proposed rule 7.10.2(a)(2) to oblige MDPs to provide access to their metering data services databases (in relation to either NMI standing data or metering data) to parties listed in draft rule 7.15.5(c).

Supply interruptions for the purpose of installing or maintaining a meter

The Commission proposes to introduce the new concept of a retailer planned interruption for scenarios where a premises will be without supply due to meter installation, maintenance, repair or replacement by a retailer-appointed Metering Coordinator (MC). We support the introduction of this concept, which we believe facilitates a more efficient outcome than current requirements to arrange an interruption with a distribution business. However, the requirements for planned and unplanned works require clarification. While this concept is termed retailer *planned* interruption, the Commission does not specify whether the related requirements apply to both planned *and unplanned* meter maintenance, repair or replacement.

The Paper outlines the Commission's proposal that the retailer be responsible for notifying each customer affected by the interruption at least four business days before the date of the interruption. We believe that this timeframe could be overly restrictive in some circumstances, even where the works are planned.

There are a number of factors that may influence the exact date that a MP may perform the work that results in supply interruption, including resourcing, other work in the local area, site-specific issues, and

customer preference. Some of these are outside the MP's control, and may change at short notice. At the same time, we also recognise the rights of customers to know and plan for an outage at their premises where possible. Any planned interruption that is proposed to occur within a period of less than four business days should be agreed with the customer.

ERM Power therefore recommends that the draft National Energy Retail Rule (NERR) 59C be amended as follows:

(2) The retailer must notify each affected customer by any appropriate means of the retailer planned interruption at least 4 business days before the date of the interruption, unless otherwise agreed with the customer.

The Commission should also recognise that there may be unplanned works where the retailer will be required to make arrangements for an unplanned interruption (for example, where a meter malfunctions and requires immediate repair or replacement to restore supply). In these instances, the retailer will be unable to provide at least four business days' notice, and reasonable endeavours to notify the customer should be sufficient. We believe that the final Rules should be drafted to distinguish planned and unplanned retailer interruptions and the reasonable notification requirement associated with each.

Please contact me if you would like to discuss this submission further.

Yours sincerely,

[signed]

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