



INFORMATION

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Draft new arrangements for the provision of metering services

Publication of draft rule and draft determination

The AEMC has invited submissions on a draft rule made in relation to a request from the Council of Australian Governments' (COAG) Energy Council. The draft rule would facilitate a market-led approach to the deployment of advanced meters where consumers will drive the uptake of technology through their choice of products and services.

Why the rules for metering services need to be changed

Most meters used in the National Electricity Market (NEM) at the premises of small customers are accumulation meters. Accumulation meters can only be used to measure the total amount of electricity a consumer uses over a period of time and must be read manually at the consumer's premises. Technological innovation means that advanced meters can now measure both how much electricity is used and when it is used – remotely in near real time.

Advanced meters also enable a range of other electricity products and services which can offer a wide range of benefits to all parties across the electricity supply chain including consumers, retailers, distribution network businesses and energy services companies. Advanced meters provide retailers and Local Network Service Providers (LNSPs) the opportunity to access services that support the efficient operation of the electricity system, allowing them to provide lower cost and higher quality services to consumers.

Despite the benefits advanced meters can offer, the COAG Energy Council identified a number of issues with the National Electricity Rules (NER) and National Energy Retail Rules (NERR) in its rule change request that limit competition and may inhibit investment in the provision of advanced metering services.

Firstly, COAG Energy Council identified that the exclusivity arrangements which limit who can take responsibility for the provision of metering services for certain types of meters impede competition and potentially encourage the continued use of accumulation meters. Additionally, the COAG Energy Council also identified that certain exit fees and the structure of metering charges create a disincentive for retailers to invest in advanced meters. Other issues identified by the COAG Energy Council related to minimum requirements for advanced meters and uncertainty over access to advanced metering services and metering data and consumer protections.

What changes under the draft rule

The draft rule opens up the provision of metering services to more competition to promote efficient investment and increased consumer choice in products and services. It also includes a number of other features to support a competitive framework, including new minimum requirements for new and replacement meters for small customers and new obligations so that security of, and access to, advanced meters and the services they provide are managed appropriately. The consistent NEM-wide approach to metering services across jurisdictions also reduces impediments to investment.

The draft rule would lay the foundation for a market-led and consumer driven approach to the deployment of advanced meters. Other than where a new or replacement meter needs to be installed, advanced meters would only be deployed where energy businesses and consumers want access to the services enabled by advanced meters at a price they are willing to pay for those services. The draft rule also provides for consumers to continue to deal solely with their retailer and opt-out of having their existing working meter replaced.

The draft rule incorporates many of the key elements of the COAG Energy Council's rule change request. Key features of the draft rule are summarised below.

Overview of the draft rule

- The draft rule changes who has overall responsibility for metering services under the NER to promote competition in the provision of metering and related services by:
 - providing for the role and responsibilities of the existing “Responsible Person” to be provided by a new type of registered participant – a Metering Coordinator;
 - allowing any person to become a Metering Coordinator, subject to meeting the registration requirements;
 - permitting a large customer to appoint its own Metering Coordinator; and
 - requiring a retailer to appoint the Metering Coordinator, except where a large customer has appointed its own Metering Coordinator.
- It requires a Metering Coordinator to take on roles additional to those currently performed by the Responsible Person so that the security of, and access to, advanced meters and the services they provide are appropriately managed.
- It specifies the minimum services that a new or replacement meter installed at a small customer’s premises must be capable of providing.
- It sets out the circumstances in which small customers may opt out of having a new meter installed at their premises.
- It clarifies the entitlement of parties to access energy data and metering data to reflect the changes to roles and responsibilities of parties providing metering services.
- It provides for LNSPs to use network devices installed at customers’ premises that assist them to monitor and operate their networks.
- It permits a retailer to arrange for a Metering Coordinator to remotely disconnect or reconnect a small customer’s premises in specified circumstances.
- It makes changes to the model terms and conditions of standard retail contracts to reflect the changes to the roles and responsibilities of parties providing metering services.

An infographic describing the roles and responsibilities of key parties in the provision of metering services under the new arrangements is attached to this infosheet. For a complete description of the new arrangements stakeholders should refer to the draft rule determination and the draft rule.

Implementation

The draft rule specifies that the new Chapter 7 of the NER would start on 1 July 2017, although some provisions would come into effect earlier to allow a range of parties to undertake a number of steps prior to the commencement of the new arrangements.

Power of Choice

This rule change is part of a series of changes recommended in the AEMC’s Power of Choice review to support demand side participation in the NEM, including network pricing arrangements and access to energy consumption information. Improved access to advanced metering services provides the missing link in this broader market reform program to empower consumers to monitor, manage and adjust their electricity consumption and costs in a way that best suits their lifestyles and price preferences.

Submissions

The AEMC invites submissions on the draft rule determination and the draft rule by 21 May 2015.

For information contact:

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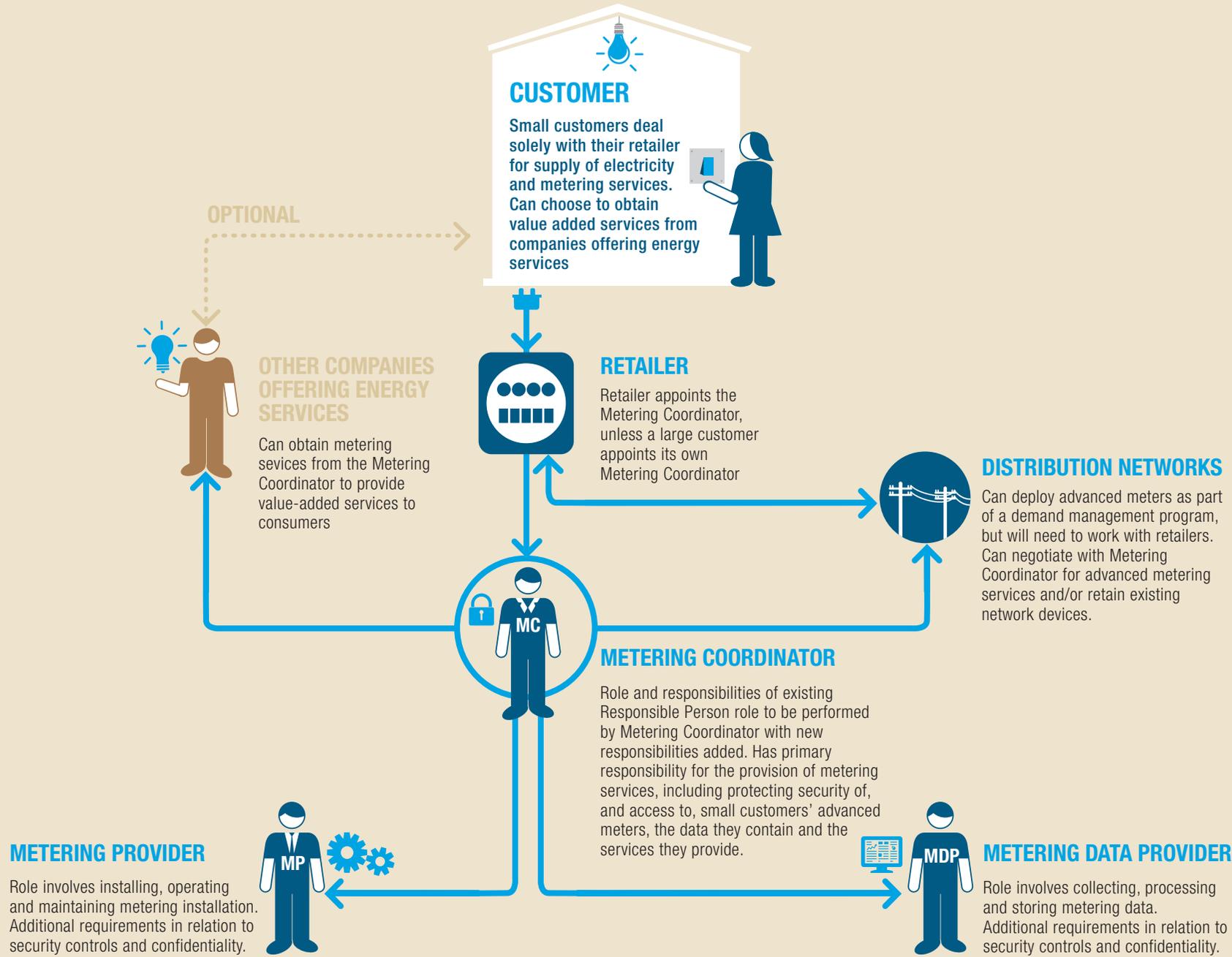
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ROLES AND RESPONSIBILITIES

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.