

21 May 2015

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

Dear John,

Expanding Competition in Metering and Related Services Draft Rule (ERC0169)

Grid Australia welcomes the opportunity to comment on the Expanding Competition in Metering and Related Services draft rule determination and associated draft rule published on 26 March 2015.

Grid Australia understands that the intent of the rule change proposal is aimed at expanding competition in retail metering installations. However, Grid Australia seeks clarification as to:

- Whether the Commission intended that transmission network service providers (TNSPs) be captured by changes to responsibilities under this proposal; and
- If not, that the Commission clearly state this in its final rule determination.

As drafted, the proposal has consequential implications for TNSPs. Grid Australia's key concern relates to any potential liability associated with impacts to the transmission network or a TNSP's contractual or financial obligations, which may result from performance of the metering coordinator role by a party other than the TNSP.

It is important that the final determination reflects the differences in the roles and complexity between metering installations at transmission connection points that are often embedded and intrinsic to the transmission network compared to those at other voltages, most often at retail premises.

Grid Australia seeks exemption from aspects of the draft rule. Grid Australia also requests that the Commission:

- Clarify the requirements, if any, for the application of the minimum services specification to wholesale transmission Type 4 metering installations;
- Provide an exemption for Part H B2B Requirements applying to transmission network connections;

- Remove the inconsistency between clause 7.5.1 and 7.10.6(a) requirements for the party responsible for ensuring metering data is provided to AEMO;
- Consider widening clause 7.8.6 to capture interactions with the broader network resulting from metering installations within the transmission network;
- Consider the ability for transmission businesses to enforce minimum standards relating to safety and system security when interacting with transmission systems; and
- Clarify the position on how metering related assets and the costs of existing metering services will be addressed under the pricing and regulatory frameworks.

The attachment discusses these matters in more detail.

Grid Australia would welcome the opportunity to clarify any aspect of this submission.

Please do not hesitate to contact me on (08) 8404 7983 or via e-mail at Korte.Rainer@electranet.com.au if you wish to discuss any matter raised in this submission.

Yours sincerely



Rainer Korte
Chairman
Grid Australia Regulatory Managers Group

Attachment – Comments on the Draft Rule

The following comments and observations are provided in relation to the proposed changes to Chapter 7 of the National Electricity Rules to support the expansion of competition in metering and related services:

1. Transmission Type 4 Metering Installations

Transmission Type 4 metering installations are typically associated with auxiliary supply arrangements at transmission substations and there is no operational requirement for remote disconnection or reconnection through the meter. These facilities, if required, will normally be provided through the substation automation or control system, independent of the Type 4 energy meter.

Point of clarification: to confirm that there is no intention to apply the requirements of the minimum services specification proposed in the draft Rule change to Type 4 metering installations that do not service small customers.

2. Part H B2B Requirements

The relocation of the existing clause 7.2A to the new Part H clause 7.17 and the changes made to clause 7.17.1 will introduce a new requirement for Transmission Network Service Providers (TNSPs) who are Metering Coordinators.

The existing drafting of clause 7.2A.1 requires Local Retailers, Market Customers and Distribution Network Service Providers to use the B2B e-Hub for B2B Communications. There is currently no requirement for TNSPs to use the B2B e-Hub and they are effectively exempted from the requirements contained within the existing clause 7.2A.

In the proposed new clause 7.17 of the draft rule, Metering Coordinators are added as a party that must comply with the B2B requirements set out in this clause. However, there does not appear to be any exemptions for TNSPs who are Metering Coordinators for metering installations servicing connections to the transmission network.

These B2B requirements exist to support the efficient transfer of customers between retailers in the retail or distribution segment of the market and are not used in the transmission or wholesale market segment. Instead reliance is placed on the use of market Settlement and Transfer Solutions (MSATS) and other AEMO published processes and procedures relevant to this market segment.

The majority of TNSPs (those who are not also Distribution Network Service Providers) currently do not have B2B software and systems, which would need to be developed and add significant cost for complying with requirements that do not apply to the current operation of the wholesale market.

Recommendation: Exclude transmission metering from the Rule change. Otherwise, clause 7.17 must be modified to exempt TNSPs who are Metering Coordinators from having to comply with the requirements of clause 7.17 for transmission network connection points.

3. Metering Data Performance Standards

Clause 7.10.6(a) makes the Metering Coordinator responsible for ensuring that metering data is provided to AEMO for all trading intervals where the metering installation is capable of remote acquisition of metering data.

However, clause 7.5.1 makes AEMO responsible for the collection and processing of metering data, and delivery of processed data where the Metering Coordinator is a TNSP. Further, clause 7.5.1 states AEMO must permit the Financially Responsible Market Participant (FRMP) to appoint the Metering Data Provider who will perform these data responsibilities.

The TNSP who is engaged as the Metering Coordinator in these circumstances does not have any commercial or contractual arrangements with the FRMP engaged MDP.

Recommendation: clause 7.10.6(a) should be modified to make AEMO or the FRMP responsible for ensuring metering data is provided where the Metering Coordinator is a TNSP.

Point of clarification: it is noted with respect to clause 7.10.6(c) that this clause now references the meter churn procedure (refer cl. 7.8.9(a)) which is somewhat different from the current Rule 7.11.1(b)(6) requirements. It is assumed that equivalent requirements can or will be found in the AEMO meter churn procedure.

4. Network devices

Transmission metering configurations are located within transmission substations and are often required to be integrated with other primary and secondary devices. These devices are commonly used for other critical services which allow the TNSPs to operate the network. This raises certain issues when dealing with third party Metering Coordinators.

Clause 7.8.6(b)(2) and 7.8.6(c)(2) of the draft rules requires Local Network Service Providers (LNSPs) and Metering Coordinators to not remove, damage or render inoperable network devices at or adjacent to metering installations. It is possible that interactions within the metering installation may impact parts of the transmission network which are not directly adjacent to the installation due to the high level of device integration within a transmission substation described above.

Recommendation: Exclude transmission metering from the Rule. These clauses would otherwise need to make provision for explicit liability and responsibility for impacts on the wider transmission network.

5. Transmission system access

Due to the nature of transmission metering there will always be some requirement to connect to the transmission Connection Point within the substation. The draft rule will therefore necessitate interactions between Metering Coordinators and transmission businesses in order to fulfil its role. This impacts the following areas:

- **Personal Safety:** Physical access into and the ability to conduct work in transmission substations needs to be limited to those with appropriate qualifications to help ensure the safety of all staff in substations.
- **System stability:** As there is a direct link between metering installations and the transmission network it is very important that each metering installation design suits the substation configuration it is installed in.
- **Operational:** Whilst performing the Metering Coordinator role there may be outages of high voltage equipment. These outages will have a direct impact on power flows through the transmission system and will need to be coordinated with the TNSP.

Recommendation: Exclude transmission metering from the proposed Rule change. Otherwise, metering coordinators should be made explicitly liable for impacts on other users and the broader system.

6. Integration into existing pricing and regulatory framework

Currently metering assets for some TNSPs are included within the Regulatory Asset Base (RAB). Charging for these assets and related metering services is done through the existing Transmission Use of Service (TUOS) pricing mechanisms.

When dealing with third party Metering Coordinators who appoint their own Metering Providers either new metering assets need to be installed or existing metering assets need to be transferred out of the RAB. This would result in a shift of asset ownership and a portion of related metering service costs from the TNSP to an external party.

Recommendation: Exclude transmission metering from the proposed Rule. Otherwise, the final Rule should provide regulatory certainty for asset ownership and the recovery of costs of transmission metering installations.

7. Emergency Management

Point of clarification: confirm that the proposed emergency management requirements are intended for the retail market segment. If not, clarify its relevance and application to the transmission wholesale market and whether there is any interaction with respect to AEMO operating procedures such as for black start situations.