



EnergyAustralia

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John Pierce
Chairman
Australian Energy Market Commission
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Dear Mr Pierce

AEMC – Expanding Competition in Metering – Additional Consultation on Specific Issues

1. Introduction

EnergyAustralia (EA) welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC) consultation titled Expanding Competition in Metering and Related Services, Additional Consultation on Specific Issues. We are one of Australia's largest energy companies, providing electricity and gas to over 2.5 million household and business customers in NSW, Victoria, Queensland, South Australia and the Australian Capital Territory. We also own and operate a multi-billion dollar portfolio of energy generation and storage facilities across Australia, including coal, gas and wind assets with control of over 4,500MW of generation in the National Electricity Market.

2. Background

The AEMC announced on the 2 July 2015 that the final determination for this rule change would be extended until 26 November 2015 due to the complexity of implementing this competitive framework for metering services and to address several important issues raised by stakeholders in previous submissions. EA supports the AEMC's endeavours to ensure this new framework is suitable for the immediate transition to metering competition as well as for the longer term market arrangements.

The key issues discussed in this consultation are:

- Arrangements for accessing energy and metering data;
- Supply interruptions for the purpose of installing or maintaining a meter;
- Customer consent for provision of network – related metering services;
- Network Devices;

- Alterations to type 5 and 6 metering installations to make them capable of remote acquisition;
- Metering Coordinator obligations where a customer refuses to have a metering installation that meets the minimum services specification installed; and
- Application of the framework to transmission connection points.

EA provides comments on each of these specific issues in the following section.

3. Specific Issues

3.1 Arrangements for accessing energy and metering data

The AEMC is seeking feedback on whether a retailer that is not the Financially Responsible Market Participant (FRMP) requires rights to receive metering data or access to the metering data services database (MDP database) in order to fulfil its obligations to provide data to retail customers under the National Energy Retail Rules (NERR) and in accordance with the Metering Data Provision Procedures (MDPP).

The MDPP places an obligation on the current retailer to provide up to two years history of metering data to customers where they were the FRMP. Data not provided by the current retailer could be provided by the previous FRMP or by the distributor. Retailers can source this data, for where they are the current or previous FRMP, from their own systems and not require access to the metering data services database. Therefore we do not believe that a retailer that is not the FRMP requires access to the metering data services database.

The new draft clause 7.15.5 is very confusing and would benefit from a table that clearly sets out each party and their respective rights of access to National Meter Identifier (NMI) standing data, metering data and data from the metering register for a metering installation.

EA is concerned that its former right for direct access to NMI standing data via the Market Settlement and Transfer Solution Procedures (MSATS) has been removed under clause 7.13.3 NMI Standing Data. This access is required for both EA and its agents to suitably quote new customers and manage existing or previous customers.

3.2 Supply interruptions for the purpose of installing or maintaining a meter

We agree that changes to the draft rule are required to permit the retailer to arrange, via a Metering Coordinator, an interruption to their customers' supply of electricity without the involvement of the distributor. Obviously this should be limited to where the interruption is required for repair, replacement or maintenance of the metering installation. However, the obligations for customer notification need to consider the unplanned nature of a meter failure and the instances where the customer has requested a meter change to receive a new product or benefit associated with a minimum services meter (smart meter). Unplanned meter failures or customer initiated meter change requests should not be subject to a four day notice period provision. For example a meter failure will require immediate rectification.

3.3 Customer consent for provision of network – related metering services

EA is concerned that the AEMC proposal for distributors to not require customer consent for services that support the "safe, secure reliable operation of the network" is inappropriate. This definition is too broad and may allow contestable services to be offered and paid for by regulated distributor revenues. Almost all new services could be deemed to provide some

support for the safe, secure operation of a network and EA would prefer these services to be identified (such as neutral integrity monitoring) and to be listed in the rules.

Value added or contestable services should be offered with customer consent on a competitive basis by retailers or new market entrants to ensure they are not delivered via a cross subsidy from a regulated network business.

3.4 Network Devices

EA reiterates its position from the previous consultation that the definition of a Network Device is wide-ranging and that the ongoing use of existing and new Network Devices could severely impact the success of the competitive metering framework. The AEMC argues that Network Devices are needed to offset perceived market power that Metering Coordinators (MCs) possess relating to existing load control devices used to manage network demand.

Whereas EA believes that networks would have market power as MCs have no other entity to sell these services. For example a network load control service offered via the new minimum services meter, which is required for the efficient operation of the network, can only be sold to the network operator.

Nevertheless, there appears to be even less of a compelling argument to allow distributors to install new network devices which we also do not support.

EA supports the solutions that the AEMC proposes regarding the course of action when space on the meter board is limited. We agree that the meter should have priority for meter board space and that the MC should notify the distributor if a Network Device is removed due to board space limitations.

However, we continue to oppose the ability of distributors to provide or on-sell services to customers, via Network Devices, even if it is incidental to the provision of network services supporting the safe, secure and reliable operation of the network. These services should be provided by parties operating under competitive arrangements.

3.5 Alterations to type 5 and 6 metering installations to make them capable of remote acquisition

Currently, the rules allow distributors to alter type 5, 6 or 7 metering installations so that they can provide remote data acquisition where the distributor determines that operational difficulties exist. When this occurs the metering installation is not reclassified. This can occur on remote rural properties or where access is difficult. EA does not support the AEMC's intention to allow this arrangement to continue without the inclusion of a competitive market test to this activity. EA proposes that when distributors identify these instances that the current retailer should be approached to see if they are prepared to install a type 4 meter (with remote capability) under competitive arrangements. This could result in a lower cost or more valuable outcome for the customer as other services may also be able to be delivered.

Should this opportunity not be taken up by the retailers then the distributor should seek customer consent before proceeding with installing remote capability to the existing meter.

3.6 Metering Coordinator obligations where a customer refuses to have a metering installation that meets then minimum services specification installed

The proposed provisions to address instances where a customer refuses the installation of a new meter that meets the minimum service specification are fully supported by EA. We believe these provisions are essential having recently experienced this situation in Victoria where the regulatory framework is deficient for these situations.

We agree that the customer needs to communicate their refusal either verbally, in writing or by their conduct to the FRMP, Metering Coordinator or Metering Provider and that the FRMP, or Metering provider must notify the Metering Coordinator the details of such refusal. The rules should also consider how this refusal notification is transferred to a new FRMP upon customer transfer and also how this refusal can be discoverable by new retailers should they seek to supply this customer.

3.7 Application of the framework to transmission connection points

EA supports the AEMC's proposed approach to amend the draft NER rules limiting the appointment of the Metering Coordinator to the FRMP or the distributor due to the complexities of these specialised metering installations and the relatively small number of these connection points.

Should you require further information regarding this submission please call me on 03 8628 1437.

Yours sincerely

[Signed]

Randall Brown
Regulatory Manager