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Australian Energy Market Commission
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Draft Rule Determination on five minute settlement [ERC0201]

Jemena Electricity Networks (**Jemena**) thanks the Australian Energy Market Commission (**AEMC**) for providing the opportunity to provide feedback on the draft rule determination on five minute settlement (**Draft Rule**). We also appreciate the AEMC conducting a teleconference¹ to clarify the policy intent of the Draft Rule relating to metering installations.

The AEMC has made a Draft Rule which will reduce the time interval for financial settlement in the National Electricity Market (**NEM**) from 30 minutes to five minutes. A key feature of implementing this Draft Rule change is the use of revenue metering data.

Jemena supports Energy Networks Australia's submission on the Draft Rule, and we provide additional comments below. Our submission focuses on AEMC's Draft Rule determination on metering installations.

New and replacement meters

The Draft Rule require the Metering Coordinator at a connection point to ensure that all new and replacement metering installations prepare and record five minute data. From 1 December 2018, all new and replacement meters must be capable of recording and providing 5-minute interval data for settlement. The requirement to use the 5-minute data from these meters only begins from the commencement date of 1 July 2021.

Jemena supports the proposed gradual transition of installed type 4 and 5 meters to 5-minute data. However we note the Draft Rule means the costs of IT systems, data storage and communication will increase for handling 5-minute data.

Existing meters

Under the Draft Rule, type 4, 4A, 5 and 6 meters that are already installed prior to 1 December 2018 will not be required to be re-configured to provide 5-minute data unless replaced.² The data from these meters will be profiled to five minute trading intervals by AEMO using net system load profiles. Jemena supports the profiling

¹ Coordinated by Energy Networks Australia, 4 October 2017.

² AEMC Draft Rule Determination, Five Minute Settlement, 8 September 2017, p 129.

approach as it minimises the cost to support the implementation of 5-minute resolution data for settlement in the NEM.

We appreciate the AEMC is mindful of these costs and have proposed to 'grandfather' these meters from providing 5-minute data until they are replaced.

Maximising existing metering capability

The Victorian Government has gazetted Ministerial Orders³ (**Orders**) to not implement competition in metering services in Victoria as required under the National Electricity Rules (**NER**). Under the Orders, the only person who can be appointed as the Metering Coordinator in respect of a connection point for small retail customers⁴ on or after 1 December 2017 is the Victorian distribution network service provider (**DNSP**); and the DNSP is required to install type 5 AMI meter⁵ and these meters are capable of remote data acquisition at such connection points. Accordingly, Victorian DNSPs will continue to install type 5 AMI meters until the Orders are revoked.

Noteworthy, in Victoria, more than 2.8 million AMI meters have been installed as part of a mass rollout of smart meters to small retail customers. The roll out program was completed in 2014 and the meters are relatively new meaning they are unlikely to be replaced in the short term. Victorian type 5 AMI meters have remote data acquisition, but registered in the market as type 5. Most of these meters currently send 30-minute interval data to AEMO on a daily basis for settlement in the NEM. The Victorian Government may determine there are benefits in remotely re-configuring AMI meters installed prior to 1 December 2018 to provide 5-minute data. Until such a decision is made, the Australian Energy Market Operator (**AEMO**) would have to be profiled the meter data to 5-minute trading intervals. The costs to re-configure these meters, strengthen the communication system and increase the data storage to support implementation of 5-minute settlement will be significant. Subject to the government determination and implementation timeframe, there may be more than 2.8 million meters providing 5-minute data to AEMO on a daily basis for settlement in the NEM. Jemena will work with the Victorian Government to develop the most efficient policy outcomes for Victorian customers.

Currently, clause 7.8.2(a)(9) of the NER states:

"7.8.2 (a)(9) includes facilities for storing *interval energy data* for a period of at least 35 days if the *metering installation* is registered as a type 1, 2, 3 or 4 *metering installation*;"

In order to cost efficiently deliver this outcome, it is imperative that the data storage requirement in clause 7.8.2(a)(9) of the Draft Rule be extended to meters that are registered in the market as type 5 meters, but have remote data acquisition. In our view, if a type 5 meter that is remotely read (daily, weekly or monthly basis) then it does not require 200 days of storage.

³ Ministerial Orders made under section 16BA(1) of the National Electricity Victoria Act 2005 and sections 15A and 46D of the Electricity Industry Act 2000.

⁴ Small retail customers are those customers with an annual volume consumption of electricity of less than 160MWh.

⁵ Advanced Metering Infrastructure Meters that comply with the Minimum Functional Specification (Victoria)

In submissions to the AEMC's directions paper, the AEMC was informed that remotely read type 5 AMI interval meters may *not* be able to meet the 200 day storage requirement, but could be re-configured to locally store 30-35 days' worth of data.⁶ However, the reconfigured meters may just fall short of 35 days of data storage requirement. Therefore, it is important to include type 5 meters that have remote data acquisition in clause 7.8.2 (a1) so that the meters comes under AEMO's remit for exemption of the data storage requirements under clause 7.8.2(a)(9). In the draft rule, new clause 7.8.2 (a1) excludes type 5 meters. It is drafted as follows:

"AEMO may exempt a Metering Provider at a connection point from complying with the data storage requirements under clause 7.8.2(a)(9) for types 1, 2, 3, and 4 metering installations installed prior to 1 July 2021. AEMO may only grant an exemption under this clause where it is reasonably satisfied that the Metering Provider will be able to otherwise satisfy the requirements of Chapter 7."

Jemena requests the AEMC consider amending clause 7.8.2(a)(9) 7.8.2 (a1) to include type 5 meters that have remote data acquisition. Jemena is concerned that if the clauses are not amended to explicitly recognise these type 5 meters, AEMO may consider it is beyond their legal power or authority to exempt type 5 meters from complying with the data storage requirement. This opportunity (subject to Victorian government policy decision) to have more than 2.8 million meters providing 5-minute data to the NEM should be an option.

Metering implementation timeframe

Transitional rule 11.100.2 (a) requires AEMO must review and, where necessary, amend 16 procedures and publish the documents by 1 December 2020. Transitional rule 11.100.2 (b) requires the Information Exchange Committee must make B2B Recommendation to support the amending rule by 3 December 2018.

Jemena considers 7 months (between 1 December 2020 and 1 July 2021) is insufficient time to finalise business requirements, build and test the necessary changes. We recommend the review of the B2B and NEM procedures be brought forward by a year to 1 December 2019. Alternatively, publication of procedures (11) to (16) be brought forward to 1 December 2019 and the remainder published by 1 December 2020. The alternative approach will spread AEMO's work load over two years whilst providing retailers, DNSPs and meter data providers sufficient time build and test the necessary IT systems to support implementation of the 5-minute settlement rule.

The transitional rule 11.100.5 (exemption from meter data storage requirements) requires AEMO to establish and publish the procedure required by new clause 7.8.2(a2) in respect of exemptions from data storage requirements by 1 December 2020.

Jemena recommends that this date be brought forward to 1 December 2019. DNSPs need to be informed on AEMO's exemption requirements much earlier than the proposed date of 1 December 2020. This is especially important to Victorian DNSPs in their investigation on the feasibility of remotely re-configuring more than 2.8 million type 5 AMI meters.

⁶ AEMC Draft Rule Determination, Five Minute Settlement, 8 September 2017, p 85

If you have questions in relation to the submission, please contact Siva Moorthy on (03) 9173 8774 or at siva.moorthy@jemen.com.au.

Yours sincerely

[signed]

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