



11 December 2014

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

By electronic lodgement

Enabling metering technology reforms – Consultation on implementation timetable

Dear Mr Owens

Origin Energy welcomes this opportunity to respond to the Commission's consultation on the proposed implementation timetable associated with the Expanding Competition in metering and related services rule change and the associated procedures that will be developed alongside this and other *Power of Choice* (PoC) rule changes.

The interaction between rules and procedures and the development of internal systems and market interfaces is a key concern for market participants (including meter providers, meter data providers and prospective Metering Coordinators in addition to distributors and retailers). Market participants will need a degree of certainty before committing resources and investing in substantive changes to internal and market facing systems. Given the complexity of changes that will result from the implementation of the rule change, prioritisation of particular elements of the PoC rule changes should be the focus for the Commission and industry in the very short term. Doing so will support the earlier deployment of smart meters under contestable conditions.

Origin supports the Information Exchange Committee's (the IEC's) recommendation supporting a coordinated approach to implementation of new rules and procedures, managed by an independent program management team. The establishment of the program management office should take place as soon as possible to support the draft implementation plan (prepared by the IEC with collaborative input from industry and other stakeholders) and the over-arching timetable of the Commission.

With respect to meters deployed ahead of new (and effectively made) rules and procedures, Origin would seek the Commission's views on grandfathering arrangements for type 4 meters installed at both small and large customer sites and whether such arrangements are only affected once a replacement meter is required.

Some market participants may be reluctant to invest in capabilities that support new services (for example on-demand functionality) in absence of market participants demonstrating a willingness to use (and fund) such services. A focus therefore on the shared market protocol, finalisation and endorsement of the minimum functional specification and associated service level procedures and confirmation of relevant accreditation requirements should be prioritised.

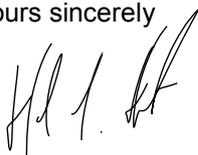
Given the scale of changes proposed to existing rules and procedures, Origin believes that the implementation timetable should contain flexibility to allow the movement of milestones while other work streams continue. In Origin's view, internal system planning, specification, testing and release will involve timeframes beyond 18 months for some participants (independent of industry implementation via the IEC and AEMO). As such, as many of the changes need to be incorporated

into internal and market releases to avoid inefficient rework and delays to the development of new services and products for customers. Delivery all of the elements of the AEMC's proposed implementation timetable by the end of 2016 is ambitious, however a focus on key elements supporting the PoC objectives, in particular those supporting metering competition, should be prioritised.

While some policy initiatives (such as the Multiple Trading Relationships work) may be complementary to the work package involving metering competition, they will compete for resources dedicated to supporting metering competition. Given such initiatives are less critical to the delivery of the benefits of contestable metering and market deployment in the medium term, they should be considered in a later release from AEMO. Avoiding such dependencies will be the best way to achieve timely delivery of systems and processes to support the commercial roll out of smart meters and focus on the realisation of benefits earlier given limited industry resources.

Should you wish to discuss the contents of this response, please contact David Calder (Regulatory Strategy Manager) on (03) 8665 7712 in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'H. Heath', with a stylized flourish at the end.

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