

1 Introduction

EDMI is pleased to be able to respond to the Australian Energy Market Commission's (AEMC) *Marketing and Related Services: Draft Determination*

EDMI continues to appreciate the work and supports the policy direction of the AEMC related to the Power of Choice review, Minimum Services Specification, Shared Market Protocol and other efforts to bring greater choice to the electricity market and encourage innovation.

EDMI believes that services built on advanced smart metering and indeed the advanced smart metering itself should be contestable. Any service provision to a customer needs to be based on providing value to the customer, and needs to allow for the service provider to innovate and invest to extend and develop these and other services.

EDMI agrees with AEMC's efforts to open the market to new players, but more specifically is absolute in its support of the commission's aim to achieve this outcome without restricting new services innovation.

EDMI have addressed each of the major themes of the draft determination below.

2 Response to draft determination

2.1 The Metering Coordinator

The new role of Metering Coordinator is a positive, proactive step to address issues related to smart meter services management and data gatekeeping. EDM I supports the AEMC position that the responsibility to appoint such a gatekeeper rests with the body that is financially responsible to provide services at the connection point.

Such a position creates a direct link between money paid and responsibility to provide services and allows for the smoothest application of market forces to determine the both the level of service and the costs associated.

EDMI also supports the registration requirements of Metering Coordinators, but submits that registration requirements should remain bound to the suitability of an individual or body to be a metering coordinator, rather than add any technical requirements beyond those set as "minimum services".

Adding technical requirements beyond the proposed “minimum services” to new entrants restricts the capacity of those entrants to provide innovative services: the very types of services that would see them able to compete with established players.

EDMI submits that maintaining relatively open technical requirements for entry is in line with AEMC’s other determinations.

2.1.1 Consumer appointment of a Metering Coordinator

EDMI supports the position of the AEMC that large customers be able to appoint their own Metering Coordinator, while small customers are protected from undue complexity by removing the capacity for them to appoint a metering coordinator.

EDMI agrees that future review of these arrangements is appropriate and desirable. Should it emerge that there is a capacity to offer viable new services directly to small consumers and that the provision of these services is being unnecessarily restricted by not allowing small consumers the capacity to appoint their own Metering Coordinators, a further review with allow for the resolution of the issue. Such a resolution will be either through a change to this rule or as a result of the threat of change to the rule.

2.1.2 Separation of roles: MC, MP, MDP

EDMI supports the separation of these roles so that each may attract different accreditation or registration requirements. This will allow the regulator to relax or create stricter entry conditions as required.

2.2 Minimum services specification

As you know, EDM I has taken an active role in assisting with technical advice at Minimum Services Specification forums. We congratulate the committee on developing the Minimum Services Specification.

EDMI believe the strength of this new specification is founded on three principles:

- 1) That the specification sets out a list of services that a meter must be capable of providing, rather than focusing on the technical components that must be included in the meter.
- 2) That all new and replacement meters must be connected to a communications network where one is available.
- 3) That all new and replacement meters must meet the specification, even if there is no communications network available.

This combination results in an increase to the available services and to innovation in new services, without restricting entry to those who might create, develop and deploy those services.

2.3 Remote disconnection and reconnection services

EDMI supports the AEMC determination on remote disconnection and reconnection services and notes that the retailer and network bodies have always handled these services have done so successfully and with the highest levels of professionalism. Extending such requirements across Meter Coordinator accreditation or registration programmes will ensure that such standards continue.

2.3.1 Smart metering solutions

However, in addition to the draft determination, and the discussion we as an industry have had in forums to date, EDM I submits that there could be more consideration given to technological solutions. Many new challenges raised by smart metering can also be resolved (in part of in full) by making use of smart meters.

In the case of disconnection and reconnection, many of the safety decisions can be automated by the application of appropriate firmware. A customer on life support? Load firmware that does not recognize the existence of the disconnect function in the meter. Customers isolated or in colder regions? Load firmware that does not allow disconnection during cold, monsoon or other relevant and predictable periods.

In most cases, safety and management issues related to smart meters are just another use-case for meter firmware development.

This is not to say that such developments should be mandated. However, applying financial and social incentives to professional market participants, will result in the market-led roll-out of similar or other technological solutions.

2.4 Opt out arrangements

EDMI supports the determination's opt out arrangements as an excellent balance between allowing for consumer choice and maintaining the continual improvement of industry metering infrastructure.

In saying this, EDM I recognize that it is incumbent upon market participants to ensure that they deliver up-to-date, accurate and timely information to consumers so that they have access to the information that they need to make their choice. EDM I submit that a program of engagement between energy industry, regulators (both energy and consumer) and consumer groups would assist in developing mutually agreeable consumer communications standards.

2.5 Ring-fencing arrangements

EDMI supports the determinations made in this area. EDM I submits that the industry has a long history of ring-fencing in relation to a number of separable matters and agrees that the regulator is best placed to continue to monitor and support ring-fencing arrangements.

2.6 Access to Metering Coordinator services

EDMI submits that this function is the most vital component of this determination in allowing all participants to build strong business cases for smart metering and related services and in reducing the costs to end consumers. When Power of Choice changes are considered a success in Australia, it will be in large part to the success of participants to develop models that make use of multiple service buyers.

EDMI supports the approach taken to deliver an open market, with key protections for existing network devices and incentives to cooperate with networks seeking to maintain and develop their distribution network.

3 Victorian arrangements

EDMI supports the work of the regulator in managing the smooth transition process to a “Power of Choice” market in the special case of Victoria. We note that there may be emergent issues relating to this transition and submit that the regulators commitment to a market-led approach that supports innovative solutions will deliver the greatest long-term benefits.

4 Implementation

While EDM I would support an earlier date of implementation, we recognize the regulatory realities in place. In any case, EDM I understands that there is nothing stopping a proactive market participant from offering compliant smart metering services today.

5 EDM I Conclusion

Power of Choice changes and new metering services are the new era of energy management in Australia. This regulatory frame work that allows for a market-led roll-out under a set of regulations that succeed in balancing a light-touch approach that feeds an open and innovative market while retaining necessary controls is a significant achievement. It forms the foundation of smarter and more sustainable energy management through improved choice and services in the years ahead.

EDMI congratulates the AEMC on the successful release of such a forward thinking and positive document; and a draft determination that will surely allow for greater opportunity and enhance our industry into the future.