

Australian Energy Market Commission
Level 6
201 Elizabeth Street
Sydney NSW 2000

24 July 2015

EMO0029 Implementation advice on shared market protocol

Dear Ms Mayes

Landis+Gyr welcomes the opportunity to provide feedback on the implementation of the shared market protocol in the National Electricity Rules (NER).

We are broadly in agreement that the AEMC's proposed approach to the shared market protocol would complement metering contestability and the related services framework, by promoting competition, innovation and reducing barriers to entry for new service companies.

As the Rules for expanding metering competition and related services has not been finalised, our feedback is based on some assumptions that are set out below.

1. Governance

We agree with the Commission that in the interest of a cost effective approach for all participants, an industry-led decision making model will be the most effective model for the construct and maintenance of the shared market protocol. Consistent with previous submissions to the Commission, we support broad participation with a high level of transparency and accountability. Areas we believe that can be improved are discussed below:

- Our assumption is the MC (the Responsible Party) must ensure the metering services are provided in accordance with the NER and will be contractually bound to deliver services to the FRMP. As such, we strongly recommend MC's have a seat on the IEC, independent of the MP and MDP, within the proposed allocated membership number of 10.
- Additionally, Landis+Gyr considers that the number of the members appointed and held by AEMO including the chairperson, the 2 independent representatives, 2 discretionary members and 1 AEMO representative may promote bias and incongruence with the primary aim of maintaining an effective operational framework for all B2B participants.

2. Making and amending procedures

Landis+Gyr supports B2B procedures that incorporate the performance standards of the B2B e-hub. These performance standards, however, should be more stringent than the existing B2B performance standards to reflect the real-time capability of advanced metering services.

Landis+Gyr recognises that bilateral contractual agreements may override the B2B performance standards whilst transacting within the B2B e-hub.

3. Obligation on the parties

Landis+Gyr agrees accreditation of B2B participants will improve IT and security standards compliance and enable identification of users who are interfacing with and using the B2B e-hub. As the number of participants may increase significantly with the addition of MC and third-party energy providers, the B2B e-hub needs to be 'future-proven' and sustainable. With this in mind, we suggest:

- A 'user pay transaction fee' cost recovery model instead of participant fees model – where B2B participants will be charged a nominated cost according to each type of transaction via the e-Hub. We are of the view that this will be a fair and equitable mechanism for all parties.

4. Transitional and implementation

Landis+Gyr considers that the existing B2B framework should be adequate for the transitional period till the updated B2B e-hub is operational. As the timeline for the finalisation of the Rule for expanding metering competition and related services has been extended, our assumption is the updated B2B framework should be operational at the same time as the commencement of the Rule.

We look forward to participating and discussing our feedback in greater depth with you during the workshops. If you require any further assistance, please contact Milan Vrkic on 02 9690 7333.

Yours sincerely,



Peter Birk

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