



Meter Replacement Processes

Release of directions paper

The Australian Energy Market Commission (AEMC) has started consultation on a directions paper relating to a rule change request from ERM Power. The Commission has also extended the time to make a draft determination and draft rule until 17 December.

Directions Paper

A directions paper has been prepared to present to stakeholders the Commission's initial policy position.

Currently a retailer can only begin the process of changing a meter on the day a retail transfer takes place.

While the existing requirements provide all parties at the connection point with certainty of where obligations and rights lie, they may lead to costs and inconvenience for retailers and consumers.

The Commission's proposed policy position is that the NER be amended to:

- clarify that an incoming retailer cannot require a metering installation to be changed at a connection point until the retail transfer is complete;
- provide that during the retail transfer period an incoming retailer can nominate parties such as the Meter Provider and Meter Data Provider to undertake certain roles at a connection point, and that such nominated parties cannot commence these roles until the day the retail transfer is completed; and
- clarify that commercial arrangements can be entered into between incoming and incumbent parties at a connection point, so the incumbent parties can churn the meter on behalf of the incoming parties during the retail transfer period.

Extension of time

The Commission has extended the time to make a draft rule determination until 17 December 2015. This extension is due to the complexities and difficulties of preparing draft rules while the Commission is assessing another major rule change related to metering, as discussed below.

Submissions are due by 8 October 2015 and will be incorporated into the draft determination.

Background

ERM Power submitted a rule change request to amend the National Electricity Rules (NER) to clarify the obligations and rights during the meter replacement process.

The rule change request aims to enable retailers to be able to provide consumers with their chosen product on the day that the retail transfer is completed.

The rule change request originated from concerns about the process to change a meter for large customers under the status quo arrangements, but it could also have implications for small customers under future arrangements given the developments in competing in metering.

Scope of the rule change request

The scope of this rule change is limited to the interaction of metering parties in the Market Settlement and Transfer Solutions (MSATS) system. MSATS is a largely automated IT system operated and maintained by the Australian Energy Market Operator (AEMO), which underpins a number of business processes including wholesale market settlement, billing and the customer transfer process. The rule change does not consider wider issues associated with meter replacement, for example, how metering providers interact with consumers when changing a meter.

Relationship with other AEMC projects

The Commission is currently preparing the final determination and final rule in response to the expanding competition in metering and related services rule change request proposed by the COAG Energy Council. That rule change is to facilitate a market-led approach to the deployment of advanced meters where consumers will drive the uptake of technology through their choice of products and services. A final determination and rule is expected 26 November 2015.

In addition the AEMC is also assessing a rule change proposal from the AEMO relating to the arrangements for embedded networks in the NER. The final rule and determination for this change will be released on 17 December 2015.

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Date 10 September 2015