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2 October 2015

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

Submitted electronically

Dear Mr Owens,

**Re: Expanding Competition in Metering and Related Services - Additional Consultation on Specific Issues (ERC0169)**

Red Energy (Red) and Lumo Energy (Lumo) welcome the opportunity to respond to the Australian Energy Market Commission (the Commission) on the Expanding competition in metering and related services additional consultation on specific issues (Additional Consultation Paper).

Red and Lumo are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria and New South Wales and electricity in South Australia and Queensland to approximately 1 million customers.

Red and Lumo support the introduction of competition in metering and related services. We consider that the Commission is approaching this change with the long term interests of consumers at front-of-mind, whilst maintaining an efficient approach and a focus on a revised framework that maintains competitive neutrality that has underpinned competition in the Australian energy market. In this submission we provide feedback on policy, operational and implementation impacts of the Commission's revised approach on each of the discrete issues as outlined in the Additional Consultation Paper.

**Arrangements for accessing energy and metering data**

Amendments to address regulatory requirements

The Commission has addressed a number of issues regarding access to data. Specifically, the Commission requested feedback on whether a retailer who is not the financially responsible Market Participant (FRMP) on site should have access to the metering data services database to fulfil its obligations under the Metering Data Provision Procedures. In terms of meeting the requirements specified in the Meter Data Provision Procedures this would also require a change to the National Electricity Rules (NER or Rules) to mandate that the Meter Data Provider would need to have access to 24 months of data which is more than the existing 13 months currently allowed under the Rules.<sup>1</sup> Whilst access to this data would be useful we do

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<sup>1</sup> See draft rule 7.10.2(a)(1)(i)

not consider that this is within the scope of this rule change. The specific metering data that must be provided to retail customers, as prescribed by AEMO in the metering data provision procedures, is an onerous obligation on retailers and this recommended change is out of the scope of this rule change.

Should the Commission allow a retailer who is not the FRMP to receive 24 months of meter data it would be necessary for that retailer, who is not the FRMP, to obtain explicit informed consent from the customer to request the data. We also recommend that the Commission places an obligation on that retailer that the data can only be utilised for the primary purpose for which the data was obtained. We consider this approach appropriate as the requirements to provide customers their consumption data currently rests with the FRMP and not any retailer that the customer contacts. Operationally, we have concerns with the Commission implementing this approach as it would require the Meter Data Provider to validate that the retailer requesting access to the metering data services database had received a valid request from the customer and obtained their explicit informed consent. Therefore, we recommend to the Commission that it does not proceed with any amendments for the purposes of a retailer who is not the FRMP accessing the metering data services database to obtain data under the meter data provision procedures.

#### Clarification of which parties have access to data

The Additional Consultation Paper also requests feedback on the specific amendments to clause 7.15.5 of the Rules as outlined in Appendix A. Red and Lumo consider that the amendments do not provide sufficient clarity as to the intent of the amendments. The revised draft rules add more complexity on which parties have access to data and the type of energy and metering data they can access. In particular, the removal of references regarding who does, and does not, have access being captured by the Registered Participant with a financial interest is troublesome. It is unclear exactly which Registered Participants this might be.

Red and Lumo strongly support the Commission replacing clause 7.15.5 with a table of all available roles and what types of data they have access to in the NER, similar to the table contained within the Additional Consultation Paper. The table contained in the Additional Consultation Paper provides absolute clarity in the roles and types of access available to each party. The insertion of the table is not new to other adaptations that have been made in the NER. As example the table of minimum services provides the same information in the same format<sup>2</sup>.

In terms of the definition of settlements ready data, Red and Lumo do not agree that the definition be removed as this data is specific to local retailers. Whilst it is a subset of metering data, it is not metering data. In order to address these matters we have proposed some specific drafting suggestions in Attachment A of this submission.

Red and Lumo do not have concerns with the drafting surrounding access to the metering data services database, or the metering database, as we consider that in

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<sup>2</sup> See draft rule S7.5.1.1

practical terms this data will either be accessible via a transaction through B2B functionality (or the shared market protocol as the case may be) or via MSATS.

## **Supply interruptions for the purpose of installing or maintaining a meter**

### Retailer Planned Interruption and Unplanned Interruptions

The Commission is proposing to amend the draft National Energy Retail Rules (NERR) to allow a retailer to arrange for the “interruption to their customer’s supply of electricity without the involvement of the DNSP”<sup>3</sup> for metering. Whilst we are not opposed to the approach proposed by the Commission we are concerned with the customer experience when receiving a new meter that meets the minimum services specification. In addition, we are concerned about the approach required in an unplanned outage involved in a meter replacement.

Where a customer is receiving a new meter as a business as usual process we expect that the retailer planned interruption notification is required. However, in the instance of a major fault, or unplanned outage that requires a meter to be replaced, then we are of the opinion that the same notification provisions should not apply. We strongly recommend that the Commission ensures that for unplanned interruptions that require a replacement meter that these instances are not covered by the retailer planned interruption rule amendments.

### Retailer Planned Interruption Notification

Red and Lumo recommend that the retailer planned interruption notification should be provided to customers 4 business days prior to the interruption, unless otherwise agreed with the customer. Whilst this approach is different to that prescribed to a local network service provider (LNSP), the difference can be justified as the interactions between a customer and its retailer is significantly different to that of a LNSPs meter replacement as highlighted, by example, in the scenarios below.

#### *Scenario 1*

A new customer selects a new product or service that requires a minimum specification meter to be installed. When discussing the new product with the customer we ascertain that an appointment will be required to install the new meter (for example where there may be an access issue on site). Therefore, the customer will receive a welcome pack including information about how to book an appointment for the meter exchange. In this instance, it would be an additional and unnecessary process to also send the retailer planned interruption notification. As the customer will receive information as to the appointment setting process and will be aware that a supply interruption will occur as part of the exchange an additional notification is superfluous in this scenario.

#### *Scenario 2*

In the instances where a meter is being replaced as part of a new deployment the draft rules state that a customer will receive a notification no earlier than 60 days, and no later than 20 days, prior to the meter being exchanged along with notification no earlier than 10 days, allowing 3 business days for the last opt out date. In addition

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<sup>3</sup> AEMC, Expanding competition in metering and related services, Additional consultation on specific issues, 17 September 2015, pg. 14

to this, the revised draft rules require a further notification no later than 4 business days for a retailer planned interruption. We consider that this is not an optimum customer experience. If, as example, a customer chooses to opt out 6 business days prior to the meter exchange then the customer will still receive a retailer planned interruption notification as the notification would have been dispatched by this date to allow sufficient time for a retailer to meet the 4 business day notice period required under the draft rules. Customers would be confused as to why they have received this notice when they had already advised the retailer that they did not wish to proceed with the meter exchange. As confusion increases, complaints will escalate, confidence in metering contestability will decline, creating unnecessary costs all borne by a requirement in the draft rules that are operationally impracticable to implement.

### *Scenario 3*

Where a faulty meter has been detected, or the meter is at end of life, then at least a 4 business day notification is sufficient, from a customer experience perspective. In this scenario, the retailer will receive notification from the existing meter provider (most likely the LNSP) advising that the meter requires replacement. Under the draft rules<sup>4</sup> retailers have 10 business days to organise the replacement. This allows the retailer around 4 business days to appoint a Metering Coordinator, to schedule the date for the meter replacement, and then 6 business days to send the retailer planned interruption notice to the customer (2 days for postage to meet the at least 4 business days notification period) prior to the replacement. This timeframe should allow the customer, and industry participants involved in the meter exchange, sufficient time to prepare for the interruption to supply.

### Other implementation matters

As a principle, Red and Lumo consider that whichever party is causing the planned interruption the parties that require notification of the interruption, as a minimum, should consist of the impacted customer, the FRMP, the LNSP and the Metering Coordinator. These parties need to be informed of this interruption as with any interruption there will be missing data, outage alarms and potentially faults and emergency calls that will need to be managed. Adoption of this principle will ensure that an optimum customer experience is achieved by all service providers in the market that are directly connected to that site.

### **Network Devices**

The Commission has advised that the intent of the network devices provision as described in the draft determination “was to give DNSPs an ability to ‘bypass’ a Metering Coordinator in the event that they were unable to negotiate terms, conditions and/or prices for access to network-related services through the Metering Coordinator’s advanced meter”.<sup>5</sup> The Additional Consultation Paper focuses on two distinct questions, what network devices can be used for and what course of action is taken where there is limited space on the meter board. Consistent with the Additional Consultation Paper we will deal with these matters individually below.

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<sup>4</sup> See 7.8.10(a)(2) in the draft rules.

<sup>5</sup> AEMC, *ibid*, pg. 19

### What network devices can be used for?

Red and Lumo are broadly supportive of the positions taken by the Commission in relation to what a network device can be used for. We strongly support the Commission's view that the LNSP must not use a network device for contestable services as this introduces competitive neutrality issues when expanding competition in metering and related services.

In terms of the amendments relating to the use of a network device for the provision of network services that support the "safe, secure and reliable operation of the network" it is unclear what the definition of what services are covered under this motherhood statement. Where the LNSP will be utilising the network device for temporary interruption of electricity supply it must ensure that the Metering Coordinator and FRMP, along with the customer, are advised of this interruption to supply. We consider that the onus will be on the Metering Coordinator to advise the meter provider and meter data provider that they are likely to have missing data and outage alarms arising from the outage period.

The Commission has suggested that they will allow a LNSP to use a network device with remote capabilities to de-energise or re-energise the site. In operational terms, we consider that the market meter will be the metering installation that is attached to the point of attachment or connection point. Red and Lumo recommend that the NER is amended to state that all network devices should be downstream of the market meter.

Whilst Red and Lumo are not concerned that the LNSP being able to remotely de-energise or re-energise the site as allowed under the NERR, it must be safe to do so, and that the remote service is completed as a distributor-initiated disconnection, or upon request from the FRMP. Safety issues will occur where a FRMP requests the LNSP to physically disconnect the site, for instance where a customer is doing work on site and requires the fuse removed and the LNSP actions the request by remotely disconnecting via the network device. At a minimum, all impacted parties must be notified of the mechanism in which disconnection was undertaken, be it remotely versus physical, and this must be discoverable in MSATS.

### Course of action when space on the meter board is limited

The Commission has advised that the "primary purpose of a metering installation is to house a meter for billing and settlement of the customer's electricity consumption ... Therefore if there is insufficient space on a meter board to house both a meter and a network device, the meter should have priority".<sup>6</sup> Red and Lumo strongly support that where there are space constraints that the market meter has priority over all other devices.

In terms of the other amendments proposed by the Commission we are supportive of all other amendments except the LNSP requiring only to provide written notification to the Metering Coordinator where it has intention to install a network device. We recommend that in addition to notification to the Metering Coordinator notification should also be made to both the customer and their associated FRMP. The FRMP in

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<sup>6</sup> AEMC, *ibid*, pg. 22



particular will need to manage any potential customer queries as they hold the primary relationship with the customer in the market.

The Commission has requested feedback on any implementation issues that will arise with the proposed approach. Red and Lumo provide the following implementation matters for consideration by the Commission when determining the final position:

- In instances of a new network device being installed, who will pay to amend any wiring on the customer's side of the meter? Further, is the LNSP licenced to complete work on a customer's side of the meter?
- Where an existing meter is retained as a network device will the LNSP be subject to the costs of any additional electrical work, over and above, replacing a meter?
- Where an LNSP damages the metering installation that is used for settlement purposes, will it be liable for the damages incurred?
- Where a defect is discovered on site, which party manages that issue?
- Will AEMO's procedure for the management of network devices be a 'retail market procedure' and subject to the same changes processes as defined in Chapter 8 of the NER?

### **Customer consent for provision of network-related services**

The Additional Consultation Paper addresses the query of what amendments, if any, should be made to the customer consent provisions where LNSPs will use either a network device, or minimum service metering installation, for the provision of network-related services. The Commission has proposed that amendments will be made to only grant access to services beyond those set out in the minimum services specification to a person who has gained the customer consent, except where the service is being provided to the LNSP for the purposes of supporting the "safe, secure and reliable operation of the network".

Similar to the network devices section, it remains unclear what this meant by "safe, secure and reliable operation of the network". Red and Lumo recommend that in order to address whether the service is purely deliverable by the LNSP for the purposes of the "safe, secure and reliable operation of the network", it may be useful to query whether the service can be provided in the contestable or can only be provided in the regulated environment.

Taking this approach, if a service is being provided to inform the customer that they are subject to voltage fluctuations with, as example their solar or storage installation, this could be completed by a third party, a FRMP or the LNSP. As the service is contestable, customer consent for this service is required. However, if the service of rebalancing phases on a particular transformer to ensure that reliability standards are met can only be completed by the regulated LNSP then customer consent is not required. We consider that this approach is suitable for assessing whether customer consent is required, particularly as new technology and services become available.

## **Alterations to type 5 and 6 metering installations to make them capable of remote acquisition**

The Commission considered whether the LNSP should be able to alter a type 5/6 metering installation to make it capable of remote acquisition of metering data.

Red and Lumo propose an alternative approach should be adopted by the Commission in their final determination. In all scenarios where the LNSP wishes to alter a type 5/6 metering installation, the LNSP should first have to contact the FRMP and query whether a competitive meter is to be installed on site. If the FRMP does not intend to install a minimum specification meter the LNSP should seek consent from the customer that they are willing to have their meter altered to be capable of remote acquisition. Upon customer consent, the LNSP should be able to make the necessary changes on site.

The Additional Consultation Paper addresses a scenario where there are practical difficulties reading the meter manually. In these instances, it is not only the LNSP that is affected but this will also be affecting the FRMP and customer, particularly where estimated data is used for billing. Therefore, before amending the meter on site, the FRMP should be contacted to see if there are plans to install a contestable meter. If the FRMP (or the customer) does not wish to replace the meter with a minimum specification meter then the LNSP should be able to alter the type 5/6 meter to make it capable of remote acquisition customer consent.

This approach would also be the case where the LNSP wishes to utilise a meter to monitor their network, as suggested in the Additional Consultation Paper, to meet power quality standards. In these cases, it would be beneficial for the LNSP to contact one or more FRMPs in the areas which it would like to monitor the network and negotiate an outcome which is mutually suitable for the parties. In instances where no FRMP wishes to participate in discussions that will provide these services to the LNSP the LNSP should be able to alter a type 5/6 meter, with the consent of the customer, to make it capable of remote acquisition.

In the final scenario noted in the Additional Consultation Paper, where the LNSP is able to alter the metering installation for services beyond network monitoring and operation, Red and Lumo strongly support the proposal put forward by the Commission. We agree that in this scenario the LNSP could use altered metering installations to compete with other metering coordinators while recovering costs via their regulated revenue. This directly contravenes the intent of the rule change and does not provide competitive neutrality in the metering services market.

Red and Lumo have proposed this revised approach, including the provision of customer consent, in circumstances where customers may refuse to have an advanced meter installed. As such, we strongly recommend that an LNSP, as would a retailer, be required to gain customer consent in order to alter a meter to have remote capability.

## **Metering Coordinator obligations where a customer refuses to have an advanced meter installed**

Red and Lumo strongly support the amendments proposed by the Commission that allows a type 4A metering installation to be installed in instances where a customer refuses to have a metering installation that meets the minimum services specification.

In adopting this approach, we query whether the following operational matters have been considered by the Commission:

- Whether the written notice of the customer's refusal needs to be passed from Metering Coordinator to any future Metering Coordinators (or whether that refusal needs to be recompleted with each new Metering Coordinator).
- Is the refusal linked to the NMI or the customer?
- At what point (if any) will the customer's refusal expire? For example, will it expire upon move out of the customer?
- Should the refusal be discoverable to all market participants in a central repository (i.e. MSATS) to provide transparency on the customer's choice?

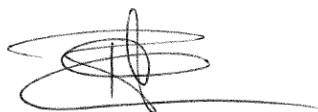
## **Application of the framework to transmission connection points**

The Commission has recommended that the FRMP must appoint a Metering Coordinator that is either the FRMP, or the LNSP for transmission connection points, consistent with the existing arrangements. Red and Lumo do not have concerns with maintaining the existing arrangements.

We note, however, that the approach is inconsistent with the approach for expanding competition in the metering services market. As an alternative it may be suitable for the Metering Coordinator to be the FRMP, the LNSP or any other Metering Coordinator that is selected by the large customer at the transmission connection point. This approach allows for the introduction of competition in this space in the longer term, whilst maintaining the existing arrangements should a Metering Coordinator be capable and selected by the customer or the FRMP.

Red and Lumo thank the Commission for the opportunity to respond to the Additional Consultation Paper. Should you have any further enquiries regarding this submission, please call Stefanie Macri, Regulatory Manager, on 03 9976 5604.

Yours sincerely

A handwritten signature in black ink, appearing to be "Ramy Soussou". The signature is stylized with loops and a long horizontal stroke at the end.

**Ramy Soussou**  
General Manager Regulatory Affairs & Stakeholder Relations  
**Red Energy Pty Ltd**  
**Lumo Energy Australia Pty Ltd**  
Att.



## Attachment A – Specific Drafting Suggestions

Rationale for the amendments proposed	Amendments proposed to Additional Consultation Paper drafting highlighted in yellow
<b>Settlements Ready Data</b>	
<p>Red and Lumo recommend that settlements ready data is included in the list of data that is available for access to local retailers. This is a sub-set of metering data pertaining to all second tier sites that has been validated and collated for the purpose of settlements.</p> <p>It is pertinent that this data is treated confidentially and is only used by local retailers for the purpose of settlements.</p> <p>For that reason, we propose that the Commission makes it abundantly clear in this clause which roles are able to access what information.</p>	<p>7.15.5(c) <u>Except as specified in paragraphs (d) or may(e), only the following persons may access or receive metering data, NMI Standing Data, settlements ready data or</u> and data from the metering register for a metering installation are:...</p> <p>7.15.5(e) Without limiting paragraph (a): this clause 7.15.5 or clause 7.13.3:</p> <p>(1) a <del>financially responsible Market Participant</del> is entitled to access or retailer may receive NMI Standing Data;</p> <p>(2) a local retailer may only receive settlements ready data for the purpose of settlements;</p> <p>(3) a customer...</p>
<b>Roles that have access to data</b>	
<p>Red and Lumo recommend that the Commission make it clear which roles have access to data and at what points in time. It is currently unclear whether a “retailer” as defined in the NER has a financial interest in the metering installation and therefore is able to access metering data, or whether they are only able to access it when they are the FRMP.</p> <p>We would also like to note that the table contained within the Additional Consultation Paper provides a clear indication of all roles and their access. We recommend that the Commission consider whether adding the table to the NER is a suitable solution.</p>	<p>7.15.5(c) <u>Except as specified in paragraphs (d) or may(e), only the following persons may access or receive metering data, NMI Standing Data, settlements ready data or</u> and data from the metering register for a metering installation are:</p> <p>(1) Registered Participants with a financial interest in the metering installation or the energy measured by that metering installation;</p> <p>(2) the Metering Coordinator appointed within respect to of the connection point for that metering installation; or a person who was previously appointed as the Metering Coordinator in respect of that connection point, as required in connection with a Metering Coordinator default event in accordance with procedures authorised under the Rules;</p> <p>(3) the Metering Provider who has been appointed with respect to that metering installation in accordance with clause 7.3.2(a);</p>

	<p>(4) <del>financially responsible Market Participant</del> <u>the Metering Data Provider appointed with respect to that metering installation, or who was previously appointed with respect to a metering installation as required in accordance with the <del>meter</del> <del>churn</del> Rules and procedures; authorised under the Rules;</u></p> <p>(5) <del>the Network Service Provider or providers associated with the connection point;</del></p> <p>(6) <del>AEMO and its authorised agents; and</del></p> <p>(7) <del>the energy ombudsman</del> <u>AER or Jurisdictional Regulators upon request to AEMO.</u></p> <p><u>(7) the financially responsible Market Participant;</u></p> <p><u>(8) the Network Service Provider or providers associated with the connection point</u></p>
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**Meter Data Provision Procedures**

As described above, the access to metering data for the Meter Data Provision Procedures should be limited to the FRMP. As such, we recommend these drafting changes.

7.15.5(d)(1)  
~~(8)~~ a retail customer or customer authorised representative, upon request by that retail customer or its customer authorised representative to the financially responsible Market Participant ~~retailer or Distribution Network Service Provider~~ in relation to that retail customer's metering installation in accordance with the metering data provision procedures;

7.14(b)  
 (b) The objective of the metering data provision procedures is to establish the minimum requirements for the manner and form in which metering data should be provided to a retail customer (or its customer authorised representative) in response to a request for such data from the retail customer or customer authorised representative to the financially responsible Market Participant ~~retailer~~ or the Distribution Network Service Provider.

...

7.14(c)(4)  
 (4) include timeframes in which a financially responsible Market Participant ~~retailer~~ or a Distribution Network Service Provider must, using reasonable endeavours, respond to requests made under clause 7.15.5(b) ~~(8)~~ a retail customer or customer

	<p><u>authorised representative</u>. The timeframe to be included must:</p> <p>(i) be no more than 10 <i>business days</i>, except where requests are made under clause 7.15.5(a)(8) by a <i>customer authorised representative</i> in relation to more than one <i>retail customer</i> of either the <b>financially responsible Market Participant</b> <del>retailer</del> or <i>Distribution Network Service Provider</i> to whom the request is made; and</p> <p>(ii) take account of procedures in place relating to the validation of <i>metering data</i>; and ...</p> <p>7.14(d)  <b>Financially responsible Market Participant</b> <del>Retailer</del> and <i>Distribution Network Service Providers</i> must comply with the <i>metering data provision procedures</i> when responding to requests under <del>clause 7.15.5(a)(8)</del> <u>by a <i>retail customer</i> or <i>customer authorised representative</i></u>.</p>
<p><b>Retailer Planned Interruptions</b></p>	
<p><b>As discussed above, we recommend that the drafting includes a provision that allows retailers and their customers agree for a different notice period.</b></p>	<p>NERR 59C  <u>(2) The retailer must notify each affected customer by any appropriate means of the <i>retailer planned interruption</i> at least 4 <i>business days</i>, <b>unless otherwise agreed</b>, before the date of the <i>interruption</i>.</u></p>
<p><b>We request that the definition of retailer planned interruption excludes the unplanned interruption of a meter.</b></p>	<p>NERR 59B  <u><b>retailer planned interruption</b> means an <i>interruption</i> of the supply of electricity to a customer that:</u>  <u>(a) is for the purposes of installing, maintaining, repairing or replacing an <i>electricity meter</i>; and</u>  <u>(b) does not involve either:</u>  <u>(i) the distributor effecting the <i>interruption</i> under rule 89; or</u>  <u>(ii) <i>interrupting</i> supply of electricity to a customer that is not the customer of the retailer arranging the <i>interruption</i>; or</u>  <u>(iii) where the <i>interruption</i> is as a result of an <b>unplanned interruption</b>.</u></p>