



Competition in metering services

Publication of final rule determination and final rules

The Australian Energy Market Commission (AEMC) has made a rule that will open up competition in metering and facilitate a market-led deployment of advanced meters. The Commission has made this final determination in response to a rule change request from the Council of Australian Governments' Energy Council.

New competitive framework

The final rule will facilitate a market-led approach to the deployment of advanced meters where consumers drive the uptake of technology through their choice of products and services. This competitive framework for metering services is designed to promote innovation and investment in advanced meters that deliver services valued by consumers.

This rule change is part of a series of changes recommended in the AEMC's Power of Choice review to support demand side participation in the National Electricity Market, including network pricing arrangements and access to energy consumption information.

When the new arrangements commence on 1 December 2017, any party will be able to compete to provide metering services to retailers, subject to registration requirements. Metering services encompass a number of activities, including making sure a customer has a working meter and providing necessary parties with metering data for billing.

The final rule also facilitates the commercial provision of services enabled by advanced meters, such as access to voltage and other data in real time, to distribution businesses and third parties, while putting in place safeguards to protect consumers from unauthorised access to their metering data and services provided by their meter.

Under this market led approach, advanced meters will be deployed where new and replacement meters are required or where energy businesses and consumers want access to advanced metering services. Where retailers wish to undertake a deployment of advanced meters, the final rule provides for consumers to opt out of having their existing working meter replaced with an advanced meter.

Advanced meters are an enabling technology that can be used to provide services that may result in a wide range of benefits for all parties across the electricity supply chain, including consumers. Advances in metering technology, and the energy products and services this technology enables, can give consumers more choice and control. With the right technology, information and price signals, consumers are better able to decide how and when they use electricity, and manage the costs of those decisions.

Key features of the final rule

The new arrangements have required changes to the National Electricity Rules (NER) and National Energy Retail Rules (NERR). Key features of the final rule are summarised below.

- The final rule changes who has overall responsibility for metering services under the NER to promote competition in the provision of metering and related services by:
 - providing for the role and responsibilities of the existing "Responsible Person" to be provided by a new type of Registered Participant – a Metering Coordinator;
 - allowing any person to become a Metering Coordinator, subject to meeting the registration requirements, other than at transmission connection points and in relation to type 7 metering installations;

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The new rule will commence on 1 December 2017.

- permitting large customers and Non-Market and exempt Generators to appoint their own Metering Coordinator at distribution connection points; and
- requiring a retailer to appoint the Metering Coordinator, except where another has appointed its own Metering Coordinator.
- It requires a Metering Coordinator to take on roles additional to those currently performed by the Responsible Person so that the security of, and access to, advanced meters and the services they provide are appropriately managed.
- It specifies the minimum services that a new or replacement meter installed at a small customer's premises must be capable of providing.
- It sets out the circumstances in which small customers may opt out of having a new meter installed at their premises.
- It clarifies the entitlement of parties to access energy data and access or receive metering data to reflect the changes to roles and responsibilities of parties providing metering services.
- It provides for LNSPs to continue to get the benefit of network devices installed at customers' premises that allow them to monitor, operate or control their networks for the purpose of providing network services, provided there is sufficient space to house both the metering installation and the network device.
- It permits a retailer to arrange for a Metering Coordinator to remotely disconnect or reconnect a small customer's premises in specified circumstances.
- It permits a retailer to arrange for a supply interruption at its customers' premises for the purposes of installing, maintaining, repairing or replacing an electricity meter.
- It allows retailer to arrange the de-energisation of a premises if the customer fails to give safe and unhindered access to the premises for the retailer to carry out its responsibilities with regard to metering, subject to certain requirements.
- It makes changes to the model terms and conditions of standard retail contracts and deemed standard connection contracts to reflect the changes to the roles and responsibilities of parties providing metering services.

The attachment to this information sheet summarises the roles and responsibilities of key parties under the new arrangements. For a detailed description of the new arrangements stakeholders should refer to the final rule determination and the final rules.

Implementation

The new arrangements will take effect on 1 December 2017, although some provisions will commence earlier to allow a range of parties to prepare for the commencement.

Market bodies, jurisdictional governments and regulators and industry have a substantial implementation program to complete before the rules commence, including:

- The Information Exchange Committee and the Australian Energy Market Operator (AEMO) must review and update their procedures by 1 September 2016.
- The Australian Energy Regulator must develop and publish distribution ring-fencing guidelines by 1 December 2016.
- AEMO must develop and publish information regarding the application process for registration as a Metering Coordinator by 1 March 2017.
- Jurisdictional safety regulators will review and update their safety requirements.
- Retailers and distributors must amend their standard contracts by 1 December 2017.
- Businesses will need to update their internal systems and processes.

AEMO has already commenced revisions to its procedures. AEMO, AER and AEMC staff are working closely together on the successful implementation of the new arrangements.

A number of changes have been made between the draft and final rules to better implement the new arrangements.

Key policy changes between the draft and final rule

There were six key policy changes between the draft and final rule, which were all consulted on in an additional consultation paper. The changes are:

- *Supply interruptions for the purpose of installing or maintaining a meter:* the final rule permits retailers to arrange a planned supply interruption where required to install, maintain, repair or replace a customer's metering equipment. The final rule also allows retailers to arrange the de-energisation of a premises if the customer fails to give safe and unhindered access for the retailer to carry out its metering responsibilities.
- *Customer consent for the provision of network-related services:* the final rule permits a Metering Coordinator to provide access to services provided via a small customer's metering installation to a distributor without the consent of the customer in certain circumstances.
- *Network devices:* the final rule:
 - Permits distributors to use network devices, except to provide services to customers or other third parties. Despite this, the distributor may provide services to a customer in limited circumstances.
 - Permits distributors to use network devices to disconnect or reconnect a metering installation via remote access.
 - Permits a Metering Coordinator to remove a network device where there is insufficient space to accommodate both the metering installation and the network device, subject to obligations on the Metering Coordinator to retain evidence of the lack of space and notify the distributor.
- *Alterations to manually read metering installations to make them capable of remote acquisition:* The final rule permits distributors to alter a manually read meter to make it capable of being remotely read without changing the classification of the meter where the alteration is reasonably required to enable the LNSP to meet its obligations to provide a safe, reliable and secure network.
- *Metering Coordinator obligations where a customer refuses to have an advanced meter installed:* The final rule permits a meter to be installed without connecting it to the telecommunications network where a customer refuses to have a meter that meets the minimum services specification installed.
- *Application of the framework to transmission connection points:* The final rule excludes transmission connection points from the competitive framework and instead retains the existing provisions in the NER that only permit either an LNSP or a Financially Responsible Market Participant to be the Metering Coordinator.

In addition to these, a large number of other changes have been made to address technical, operational and drafting issues raised in submissions, as well as some minor changes to better implement the policy intent of the draft determination. The final rule also reflects a number of minor editorial changes to clarify existing rules, many of which were proposed by stakeholders in submissions.

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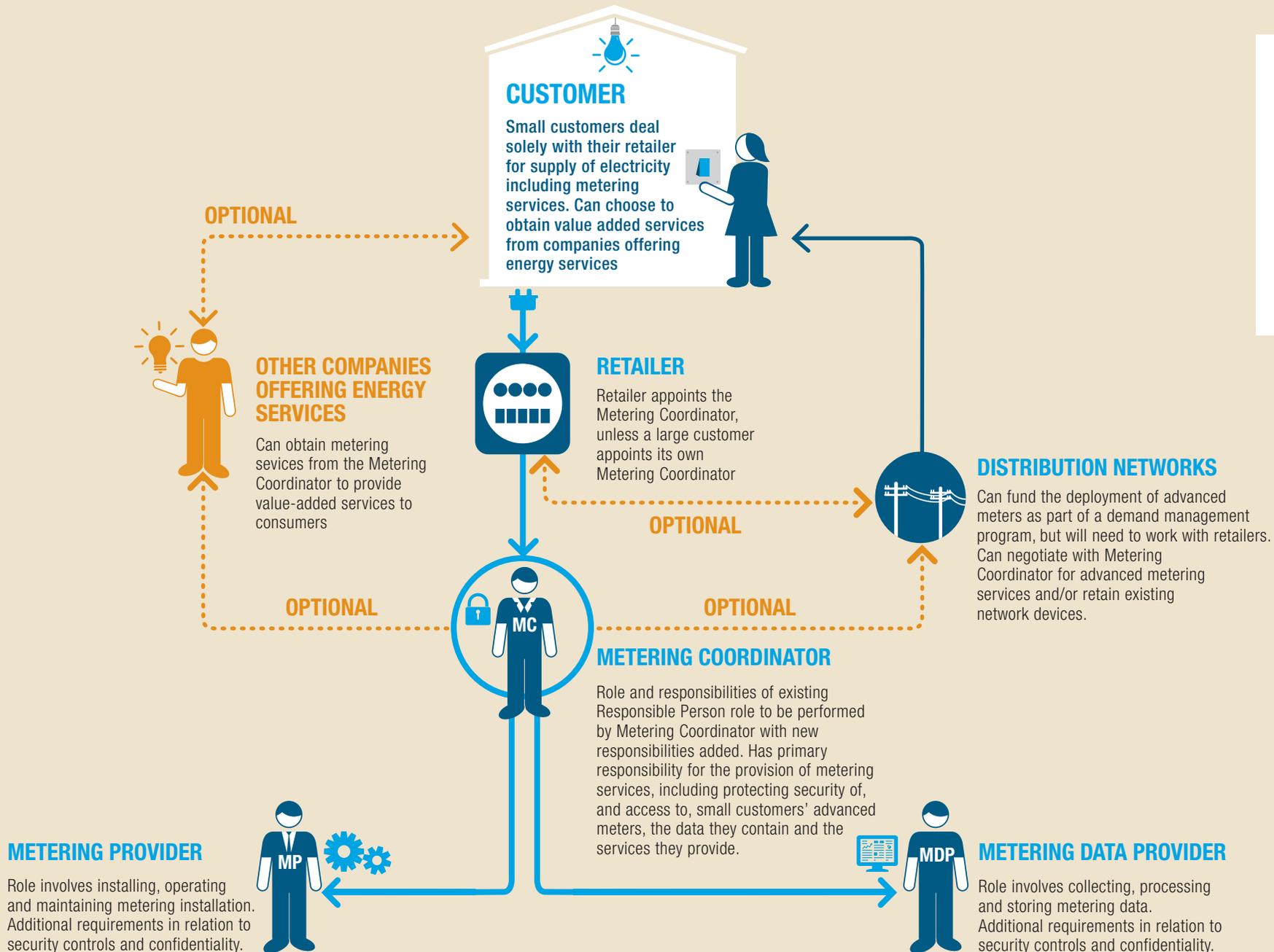
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ROLES AND RESPONSIBILITIES

Clarifying, expanding and opening up existing roles will promote competition in the provision of metering services to improve consumer choice and control while protecting customers.



None of these roles are new: all exist under the current rules but some new responsibilities have been added relating to advanced metering services.

Any person could perform the Metering Coordinator, Metering Provider and Metering Data Provider roles subject to accreditation and registration requirements.