

SMP AND B2B: THE VIEW FROM DISTRIBUTION BUSINESSES

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Why B2B is Critical

- Contestable rollout of meters for small customers = fundamental change to market operation.
- Day 1: legal framework will preclude current BAU.
- DNSPs banned from metering services as regulated role.
- Without effective systems/processes, risk to customer supply
- Not just new minimum services: also existing services

- Agreed communications via SMP/B2B vital to commencement and on-going delivery of contestable metering services to customers.

Services critical for commencement

NB: list indicative only - based on IEC

Both BAU processes and the new advanced meter services need to be available from Day 1

Essential – Day 1		Could be done later
Business Facing	Customer Facing	
Meter Replacement: faulty; family fail; emergency; general	Network device notices	Medium customer impact
Advice on meter removal, alteration, etc	Follow up issues eg on meter reads, responses	Request meter recovery
Meter data verification	Supply abolishment	Establish/amend type 4A meter read cycle
Meter reconfiguration	Verify Standing Data	Advice network tariff change pending
New connections/ planned interruptions	Special read	Load limiting: SCC service order
Re-en/De-en	Scheduled read	Miscellaneous service orders
Pre-installation query/response	Site access; customer details, etc	

What does this mean for customers?

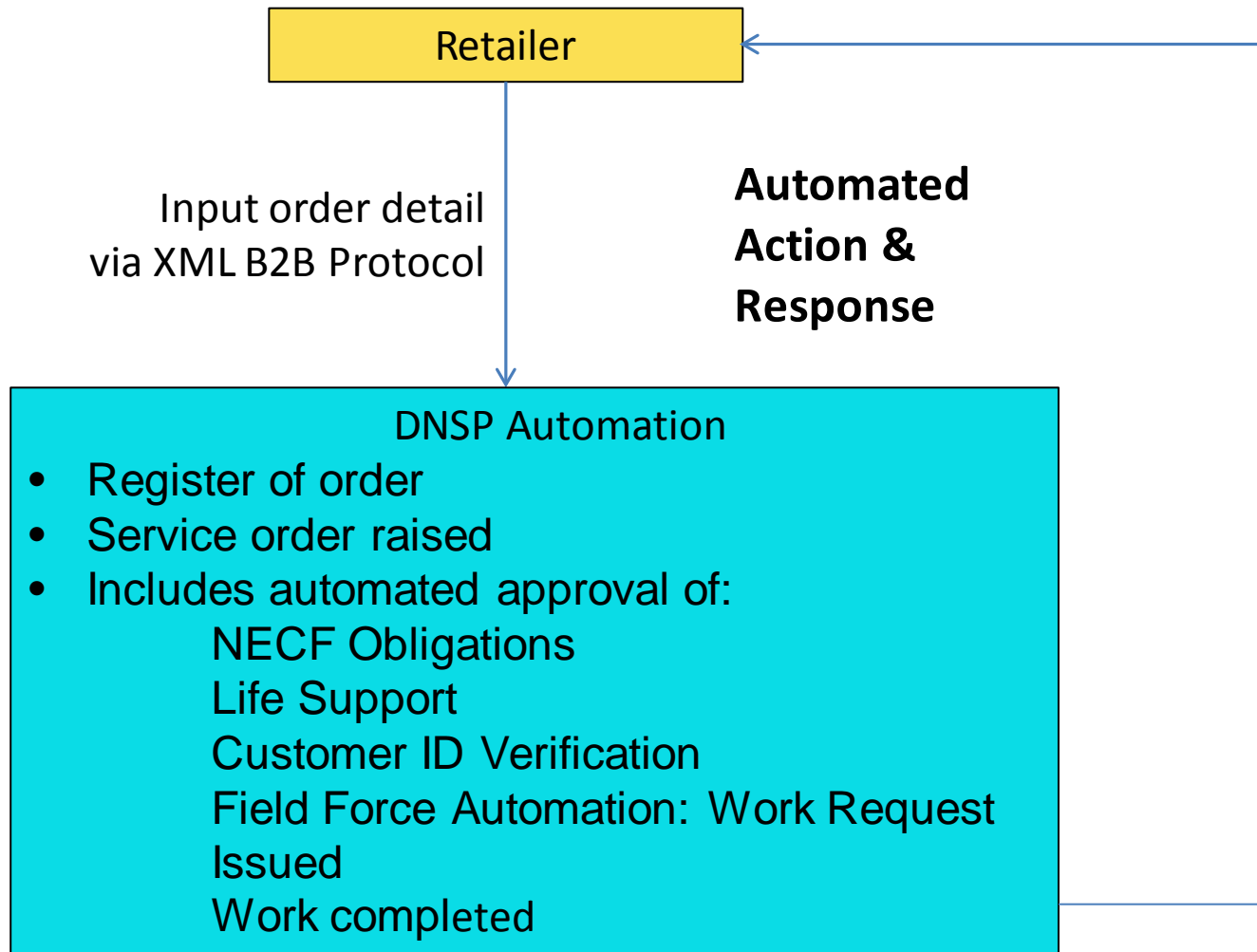
Example

> Meter failures:

Response times will be critically important for customers

Example: B2B Re-en / De-en

Service Order Request: now



B2B Re-en / De-en (cont'd)

Service Order Request: Future



Retailer

DNSP

Customers

**Metering
Coordinator**

**Service
Providers**

IEC

> **Composition**

- 2 direct distributor and 2 direct retailer representatives

> **Operation**

- Must be provided with appropriate resources and technical support

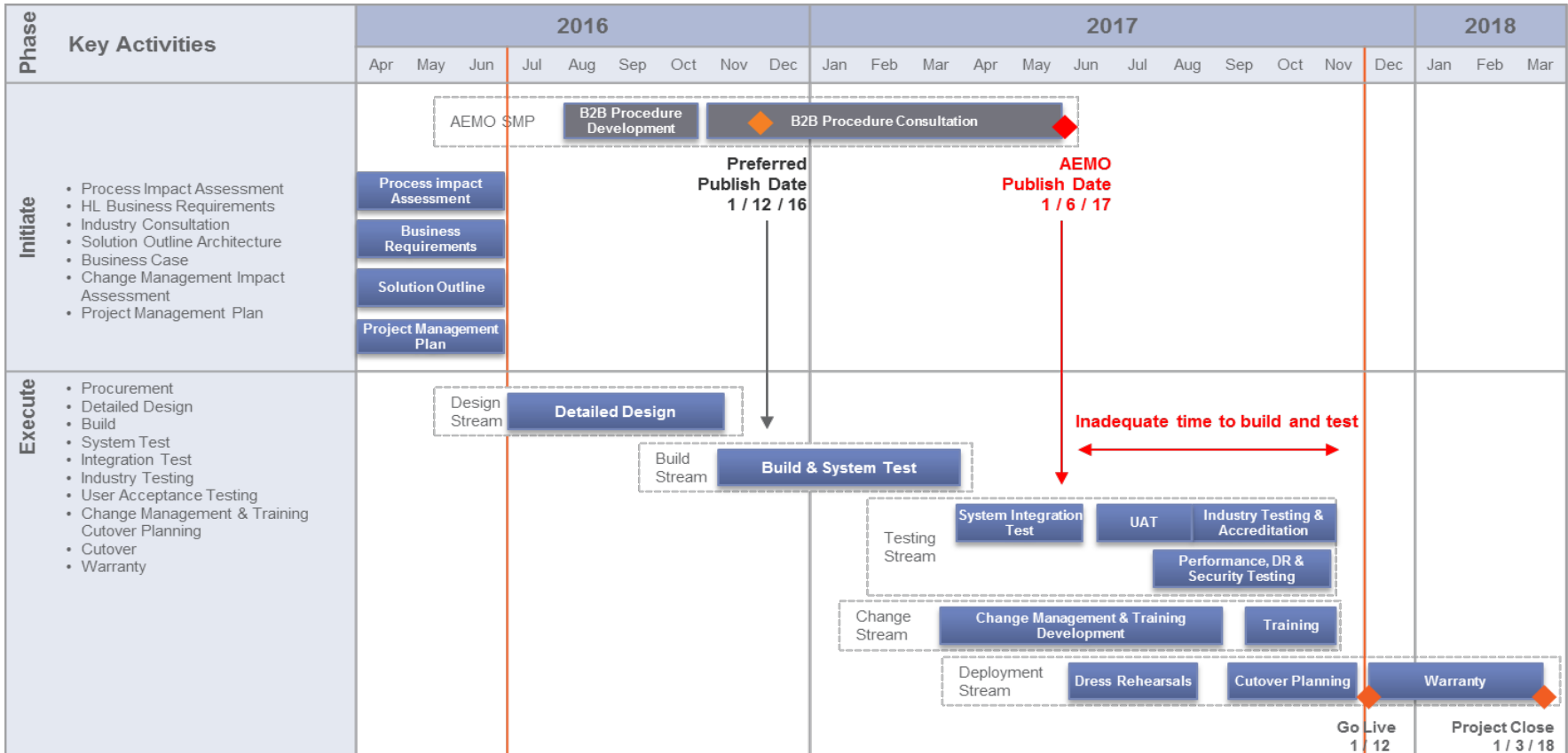
> **Revised election procedure and operating manual:** need open consultation and decision-making

AEMC Implementation ProposalSMP Rule finalized by 1 March 2016**- 3 mth delay -**B2B Rules for Mass Market by 1 May 2016**- 14 mth delay -**Finalisation of **all** procedures 1 May 2016**- 12 mth delay -**Industry expected **one** consolidated set of systems, procedure & business changesCurrent ProposalSMP Rule finalized by 30 June 2016B2B Rules for Mass Market by June 2017Last package finalized 1 May 2017Changes split across **three** sequential work packages –bulk of the B2B detail in last package**The current plan only provides 6 months for build and Industry testing**

Past experiences

- > **Industry has never delivered a national program of this complexity in less than 14 months**
 - National B2B: 14 months
 - NARG: 14 months from final procedures
 - Gas FRC: >12 months & was delayed due to testing results
 - Electricity FRC: >2 years – including 12 month delay due to readiness

Metering Competition - High Level Timeline



Implementation management: Three options

- > Option 1: **Expedite**
- > Option 2: **Delay**
- > Option 3: **Stage**

ENA Conclusions: 1

Customers are key

- > Changes predicated upon improved services and choices
- > Must ensure customers are **not** adversely impacted.
- > Delivery requires coordination
- > Needs to have a readiness check well before 'go live'

ENA conclusions: 2

> IEC

- Must be two DNSP and two retailer members (all directly elected)
- IEC must be operational ASAP

> Implementation

- Urgent review of program implementation in light of three options
- Integrated project management oversight must be introduced
- If still aiming for commencement on 1 December 2017, procedures (including B2B) **MUST** be finalised before 1 December 2016.