



Open access and common communication standards

The AEMC's Power of Choice review recommended new rules with the objective of allowing the community's demand for energy services to be met by the lowest combination of demand and supply side options. This objective is best met when consumers are using electricity at the times when the value to them is greater than the cost of supplying that electricity. Today's draft report proposes the adoption of common standards to make it possible for smart meters to be efficiently integrated into the electricity supply communication systems.

Draft findings

Smart meters will likely enable new products and services to be provided to consumers. This requires the ability for multiple parties to gain access to a smart meter's functionality – that is, the ability for multiple parties to communicate with the smart meter.

The draft report released for consultation today proposes a new framework for open access and common communication standards.

The framework aims to support contestability in demand side participation (DSP) services and other services enabled by smart meters.

Our draft findings are on the technical arrangements and whether common communication standards should be adopted.

The remainder of the review will focus on developing an appropriate regulatory framework. Opportunities to consult on these arrangements will be explored prior to finalising our advice. The final recommendations would consider whether any changes to the current regulatory framework, including the energy laws and market rules, would be required.

Technical and communication standard requirements

Our findings in relation to the technical and communication standard requirements are that:

- a common 'market protocol' should be adopted, which would reduce development costs for parties interacting with smart meters; reduce unnecessary meter replacement; and not inhibit consumers' ability to switch retailers;¹
- either the internationally accepted standard of DLMS/COSEM is adopted for the market protocol, or a service-based protocol could be specifically developed for the National Electricity Market (NEM);²
- subject to the standard that is selected, an independent party such as the Australian Energy Market Operator (AEMO) could be the custodian of the common market protocol; in conjunction with industry, this party would then manage the adoption or development of the standard for the NEM;
- adopting a common 'meter protocol' could also provide benefits to participants and consumers; however, further consideration of the alternative options to a common meter protocol is required; and
- the metering communication architectures currently described under the National Electricity Rules (NER) appear appropriate for smart metering infrastructure and therefore no material changes to this aspect of the NER would be required to accommodate smart meters.

We welcome comments on these draft findings particularly on the relative merits of the options presented and the possible implementation costs.

¹ The common market protocol defines the communication standard between the point at which access is granted to a smart meter (the point of entry), and the party wishing to use the meter. In comparison, the 'meter protocol' is the standard between the point of entry and the meter. Additional information is outlined in the 'factsheet'.

² DLMS/COSEM is an open non-proprietary meter protocol described and published by the International Electrotechnical Commission.

Submissions on the draft report are due on 30 January 2014.

A public forum will be held on a date to be confirmed in February 2014.

Regulatory framework for further development

The second part of this review will assess whether, access to smart meters should be regulated – and if so, how.

This includes consideration of whether there should be regulation of charges that parties may be required to pay for access to smart meters.

Specific issues for comment in relation to regulatory framework requirements are outlined in the draft report.

Background on the review

Reason for the review

The Standing Council on Energy and Resources (SCER) asked the AEMC to provide advice on a framework for open access and common communication standards to support smart meters and services enabled by smart meters. The request for advice follows from work undertaken in the Power of Choice review.

Scope of the review

This review is about establishing a framework that provides the required level of access to smart meters to the parties that are authorised to use those smart meters. The two broad areas under consideration are assessing the necessary regulatory framework and whether common communication standards are required to support open access.

Related projects

There are a number of projects in progress that relate to metering arrangements and contestability of DSP services. These include a rule change request on metering contestability, which the SCER has recently submitted to the AEMC, and also work that SCER is undertaking on the regulation of third party and other energy service providers. Where appropriate, our draft findings takes into consideration and refer to these other related projects.

Advisory stakeholder working group

To assist us with this review, the AEMC formed an advisory stakeholder working group. The working group members represent consumers, businesses including retailers, distributors, energy service providers, and smart meter manufacturers, as well as AEMO and the Australian Energy Regulator. The working group has been meeting on a regular basis and providing advice to the AEMC throughout the review.

Next steps

Submissions on the draft report are due on 30 January 2014.

We plan to hold a public forum in February 2014; the date and venue details will be published closer to the date.

We will continue to hold meetings with the advisory stakeholder working group prior to finalising our advice by the end of March 2014.

For information contact:

AEMC Senior Director, **Rory Campbell** (02) 8296 7800

AEMC Senior Adviser, **Anita Lai** (02) 8296 7800

Media: Communication Manager, Prudence Anderson 0404 821 935 or (02) 8296 7817

19 December 2013