



# RULE CHANGE

**Australian Energy Market Commission**

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## **CONSULTATION PAPER**

### **National Electricity Amendment (Provision of Metering Data Services and Clarification of Existing Metrology Requirements) Rule 2009**

**Rule Proponent**

Australian Energy Market Operator

27 August 2009

This Consultation Paper was prepared by the staff of the Australian Energy Market Commission to facilitate public consultation on the Rule change proposal and does not necessarily represent to the reviews of the Commission or any individual Commissioner of the Australian Energy Market Commission.

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## **Citation**

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## **About the AEMC**

The Council of Australian Governments, through its Ministerial Council on Energy, established the Australian Energy Market Commission (AEMC) in July 2005 to be the Rule maker for national energy markets. The AEMC is currently responsible for Rules and policy advice covering the National Electricity Market and, from 1 July 2008, concerning access to natural gas pipeline services and elements of broader natural gas markets. It is a statutory authority. The AEMC's key responsibilities are to consider Rule change proposals, conduct energy market reviews and provide policy advice to the Ministerial Council as requested, or on AEMC initiative.

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## Abbreviations

ACCC	Australian Competition and Consumer Commission
AEMC	see AEMC
AEMO	Australian Energy Market Operator
Commission	Australian Energy Market Commission
MDA	Metering data agent
MDP	Metering Data Provider
NEM	National Electricity Market
NEMMCO	National Electricity Market Management Company (now AEMO)
Rules	National Electricity Rules

## Introduction

On 18 June 2009, the Australian Energy Market Operator (AEMO) (formerly called NEMMCO) submitted a Rule change proposal to the Australian Energy Market Commission (AEMC). AEMO's Rule change proposal seeks to make changes to Chapter 7 of the National Electricity Rules (Rules), which deals with metrology.

This Rule change proposal is likely to be of interest to persons who are:

- Market Participants and/or a metering service provider under the Rules;
- engaged by AEMO as a metering data agent;
- considering registration as a Market Participant, or considering accreditation and registration as a metering service provider;
- Local Network Service Providers; and
- any other stakeholder with an interest in metering data services.

This Consultation Paper was prepared by staff of the AEMC to facilitate public consultation on the Rule change proposal. It does not represent the views of the Commission or any individual Commissioner.

The Consultation Paper:

- sets out background information relevant to the Rule change proposal;
- summarises, at a high-level, AEMO's proposed changes to Chapter 7; and
- sets out some questions that stakeholders are encouraged to consider when preparing their submissions.

## Background

The Rule change proposal is the third in a series of proposals submitted by AEMO as part of its wider program of metrology reform.<sup>1</sup> AEMO's longer term metrology work program is described in its *2008 Metrology Program Plan*, which summarises the scope, relative priorities, benefits and timing for major metrology projects in the National Electricity Market (NEM).

One of the projects identified in the 2008 Metrology Program Plan was a review of the roles of the providers of metering services.<sup>2</sup> Presently, AEMO engages metering

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<sup>1</sup> The first Rule change proposal was the *National Electricity Amendment (Metrology) Rule 2006 No. 17*. The second Rule change proposal was the *National Electricity Amendment (Integration of NEM Metrology Requirements) Rule 2008 No. 1*, which is Project 1 in Appendix C.

<sup>2</sup> AEMO, *2008 Metrology Project Plan*, January 2008, p. 24.

data agents (MDAs) through a series of deeds to provide metering data services. The work carried out by MDAs on AEMO's behalf allows AEMO to meet a number of its obligations under the Rules concerning the collection of metering data from Type 1-4 metering installations. Arising from its review of these arrangements, AEMO proposes to establish a new category of metering service provider under the Rules, enabling service provider responsibilities to be specified more directly and simplifying audit requirements. AEMO also proposes that the deed structure used to engage MDAs be removed and replaced by the framework under the Rules.

## **AEMO's proposed Rule change proposal**

The principal change suggested by the Rule change proposal is to implement the outcome of the review foreshadowed in the Metrology Program Plan. The Rule change proposal:

- creates a new category of service provider called a Metering Data Provider (MDP);
- reallocates responsibility for the collection of remote interval metering under the Rules from AEMO to the Responsible Person; and
- removes the deeds structure (which is outside of the Rules) whereby AEMO currently engages MDA's.

AEMO's Rule change proposal suggests a number of other changes to Chapter 7 to improve the clarity (and therefore certainty) of the Rules. The changes, and the pages of the Rule change proposal where these changes are discussed, are set out below.

- Apply the existing dispute resolution process in clause 8.2 of the Rules to disputes between MDPs and other parties, including Registered Participants. This aspect of the proposal is discussed at 3.1.2 of Attachment A of the Rule change proposal.
- Clarify AEMO's power to establish service level procedures for MDPs and specify the scope and purpose of the procedures AEMO can make. This aspect of the proposal is discussed at 3.1.3 of Attachment A of the Rule change proposal.
- Amend the definition of "metering installation" to clarify the components that comprise a metering installation and clarify the relationship between metering provision and metering data services. This aspect of the proposal is discussed at 3.2.1 of Attachment A of the Rule change proposal.
- Delete the definition of "revenue metering installation" which is a redundant term because there is no difference between a "revenue metering installation" and a "metering installation". This aspect of the proposal is discussed at 3.2.2 of Attachment A of the Rule change proposal.
- Introduce the term "metering data services database" to clarify the obligation on MDPs to maintain a metering installation database which is a term used in the

Rules but not defined. This aspect of the proposal is discussed at 3.2.3 of Attachment A of the Rule change proposal.

- Clarify existing metering data terms, therefore enabling service providers to understand better their roles and responsibilities, and standardise terminology across all metering installation types. This aspect of the proposal is discussed at 3.3 of Attachment A of the Rule change proposal.
- Restructure Chapter 7 and make consequential changes that take account of the substantive changes suggested by the Rule change proposal. These changes are discussed at 3.4 of Attachment A of the Rule change proposal.
- Make consequential amendments to Chapters 3, 5, 6, 8, 9 and 11 of the Rules. This aspect of the proposal is discussed in Attachment B of the Rule change proposal.

The broad principles underpinning AEMO's Rule change proposal have the support of its Metrology Reference Group (MRG).

## Consultation questions

The Consultation Paper identifies a number of questions raised by the Rule change proposal. Identifying these questions is intended to facilitate consultation on the proposal. Stakeholders are encouraged to consider these questions when preparing their submissions in response to the Rule change proposal.

The questions are:

1. Do you agree that there is an issue with the current arrangements that should be addressed by amending the Rules? Please explain your view.
2. What impacts (including operational and procedural impacts) is the Rule change proposal likely to have on stakeholders?
3. What impacts, if any, is the Rule change proposal likely to have on changes arising from the development, adoption or use of advanced metering installations and other "smart meter" technology?
4. Will the Rule change proposal contribute, or be likely to contribute, to the achievement of the national electricity objective? Please explain your view.
5. What costs are stakeholders likely to incur, and what benefits are likely to accrue to stakeholders, if the proposed Rule is made?
6. What transitional arrangements, if any, would be required to ensure stakeholders can comply with the proposed changes?

We encourage stakeholders to comment on any aspect (or aspects) of the Rule change proposal that are not encompassed by the questions set out above.

## Making a submission

In relation to this Rule change proposal, the Commission published a notice under section 95 of the NEL inviting written submissions by 5pm (Sydney time), **16 October 2009**. Submissions may be lodged online or by mail in accordance with the following requirements.

Submissions should be submitted, where practicable, in accordance with the Commission's *Guidelines for making written submissions on Rule change proposals*.<sup>3</sup> The Commission publishes all submissions on its website subject to a claim of confidentiality.

All enquiries in relation to this Rule change proposal should be directed to Catherine Earles on (02) 8296 7800.

### *Lodging a submission electronically*

Comments must be lodged online via [www.aemc.gov.au](http://www.aemc.gov.au). The submission must be on letterhead (if submitted on behalf of an organisation), signed and dated.

Upon receipt of the electronic version of the submission, the Commission will issue a confirmation email. If this confirmation email is not received within 3 business days, it is the submitter's responsibility to ensure successful delivery of the submission has occurred.

### *Lodging a submission by mail*

The submission must be on letterhead (if an organisation), signed and dated by the respondent. The submission should be sent by mail to:

Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

or by fax: (02) 8296 7899.

The envelope must be clearly marked with the project reference code: "ERC 0092/1".

Except in circumstances where the submission has been submitted electronically, upon receipt of the hardcopy submission the Commission will issue a confirmation letter. If this confirmation letter is not received within 3 business days, it is the submitter's responsibility to ensure successful delivery of the submission has occurred.

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<sup>3</sup> The AEMC's *Guidelines for making a submissions on Rule change proposals – Electricity* are available from the AEMC's website at <http://www.aemc.gov.au/Electricity/Rule-changes/Rule-making-process.html>

<sup>4</sup> Consultation Paper - National Electricity Amendment (Provision of Metering Data Services and Clarification of Existing Metrology Requirements Rule