

1 October 2015

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged online: www.aemc.gov.au

Ref: ERC0169

Dear Mr Pierce,

RE: Additional Consultation on Specific Issues: Expanding Competition in Metering and Related Services Rule 2015

The Energy Retailers Association of Australia (ERAA) welcomes the opportunity to provide comment in response to the Australian Energy Market Commission's (AEMC) Additional Consultation on Specific Issues on the National Electricity Amendment (Expanding competition in metering and related services) Rule 2015 (**Additional Consultation Paper**).

The ERAA represents the organisations providing electricity and gas to over 10 million Australian households and businesses. Our member organisations are mostly privately owned, vary in size and operate in all areas within the National Electricity Market (NEM) and are the first point of contact for end use customers of both electricity and gas.

Arrangements for accessing energy and metering data

NMI Standing Data

Retailers and their agents require access to NMI standing data. The ERAA believes that the rules should explicitly state that retailer access to NMI standing data (through MSATS) is permitted. The drafting contained in rule 7.13.3 correctly indicates that it is a retailer not a financially responsible Market Participant (FRMP) that requires access to NMI Standing Data. However, we consider the proposed changes to the Draft Rule outlined in the Additional Consultation Paper should remain consistent with the amendments made through the *National Electricity Amendment (Access to NMI Standing Data) Rule 2013 No. 6*.

Settlements Ready Data

Additionally the ERAA proposes that the term and use of settlement ready data, as validated load, should be retained to ensure that settlement data is provided to local retailers. Local retailers use settlements ready data for the purpose of validating the consumption for the sole purpose of AEMO settlements. Whilst it is a subset of metering data, it is appropriate that it remains as a distinct concept within the rules.

Parties that can access data

The ERAA strongly supports the inclusion of a table in the rules, to ensure clarity regarding which roles have access to data. The revised drafting in the draft rule was more complex compared to the table in the Additional Consultation Paper.

The ERAA believes the rules must also stipulate that a Local Network Service Provider (LNSP) may only gain mandatory access to meter data for regulated network services only.



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An inclusive list of all permitted network services should be listed in the National Electricity Rules (NER). Similar to settlements ready data, the data obtained by parties in the market should only be used for the primary purpose for which they are obtained. For example, if a LNSP has access to data for its regulated business, but wishes to provide services to customers in the market, its ring-fenced entity should be obligated to negotiate and pay for such access (and the data should not be automatically passed from one business to the other). This is because some products and services that LNSPs seek to deliver (even primarily for regulated network purposes) may also be used to support contestable services. An example of this is load control, where some legacy load control arrangements required to support existing network management enabled through network tariffs, but other load control services are clearly contestable. Mandatory access (without the need to negotiate for access) could provide regulated businesses with a competitive advantage where this may support contestable services.

Supply interruptions for the purpose of installing or maintaining a meter

The ERAA acknowledges the issue the AEMC is trying to address in relation to supply interruptions and is broadly supportive of the proposed approach outlined in the Additional Consultation Paper. However, the ERAA believes that the requirements for planned and unplanned works require clarification and further consideration by the AEMC.

The ERAA does not believe that the term “retailer planned interruption” is accurate and questions whether the requirements apply to equally to unplanned meter maintenance, repair or replacement.

The Additional Consultation Paper requires a retailer to notify each customer affected by a planned retailer interruption at least four business days before the date of the interruption. The ERAA believes additional flexibility should be given to retailers in the event that a customer agrees to an interruption in supply at an earlier date. This is due to the meter installation being a part of a retail product or service that the customer desires and they will have engaged with the choice for a product requiring the new meter. In these circumstances, where customer agreement has been obtained, the ERAA considers that the notification period is necessary can be less than the four business days as prescribed.

In relation to unplanned works or interruptions, the proposed notification for retailer planned interruptions are not appropriate as immediate repair or replacement is likely to be required. We recommend the AEMC explicitly separate retailer planned and unplanned interruption events.

Customer consent for provision of network-related services

The ERAA does not support the proposed approach in relation to customer consent for the provision of network-related services outlined in the Additional Consultation Paper. The ERAA believes the definition of network services that do not require customer consent and that those services that support “the safe, secure and reliable operation of the network” is too ambiguous. The network related services not requiring customer consent must be explicitly stated in the NER.

The ERAA also believes that a product or service offered to an individual customer by a LNSP is likely to be contestable and therefore should not be able to be offered by a LNSP without appropriate ring fencing arrangements in place and individual customer consent. This would ensure a consistent framework for all providers of contestable services.

Network devices

The ERAA firmly believes the use of network devices to enable contestable services would be inappropriate, as it would compromise competitive neutrality and therefore impact on metering competition. However if network devices are to be permitted, the AEMC must ensure that the market meter must face the market and that network devices must only be used for downstream network-related services. This will protect the market meter from disconnection by the LNSP where a network device is retained or installed.

The allowance of “incidental” services to the provision of network services that support the safe, secure and reliable operation of the network as it will interfere with competition and the competitive market. There is no limit as to what services might be classed as incidental with respect to network devices for such a broad purpose. The rules must not allow network devices to be used for any products or services that may be provided by a contestable provider.

The ERAA strongly supports the position taken by the AEMC in the Additional Consultation Paper to ensure that the NER should prohibit LNSPs from using network devices to provide or on-sell services to third parties. The ERAA encourages and considers the application of a civil penalty provision to the revised rule is necessary to ensure no competitive advance is abused by an LNSP.

Alterations to type 5 and 6 metering installations to make them capable of remote acquisitions

The ERAA does not agree with the proposed approach outlined in the Additional Consultation Paper to permit a LNSP to alter a type 5/6 metering installation to make it capable of remote acquisition of metering data and consider that an alternative approach should be adopted.

In circumstances where the LNSP wishes to alter a type 5/6 metering installation, the LNSP should have an initial obligation to contact the FRMP on site and discuss whether a competitive meter should be installed. If the FRMP does not intend to install a minimum specification meter within a reasonable timeframe, the LNSP must seek customer consent to have their meter altered to be capable of remote acquisition. Only with a customer’s consent should the LNSP be able to alter the metering installation.

The ERAA strongly agrees with the AEMC that a LNSP should not have the ability to alter the metering installation for services beyond network monitoring and operation. If this was permitted, the LNSP could use altered metering installations to compete with contestable providers 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 and related services market.

The ERAA also recommends that the requirement of customer consent is adopted for the upgrade of type 5/6 metering installations, consistent with the approach in circumstances where a customer refuses to have an advanced meter installed.

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

The ERAA broadly supports the amendments to the draft rule proposed in the Additional Consultation Paper that permit 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:

- Whether the written notice of the customer’s refusal needs to be passed from the current MC to any future MCs (or whether that refusal needs to be recompleted with each new MC).
- Whether the written notice of the customer’s refusal expires, for example upon move out of the customer.
- Whether the refusal would 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 ERAA has no comment on the proposed approach outlined in the Additional Consultation Paper.

Should you wish to discuss the details of this submission, please contact me on (02) 8241 1800 and I will be happy to facilitate such discussions with my member companies.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alex Fraser', with a horizontal line underneath.

Alex Fraser
Interim CEO
Energy Retailers Association of Australia