



COAG  
Energy Council

Senior Committee  
of Officials

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235

Dear Mr Pierce

The COAG Energy Council has agreed to submit a rule change request to the Australian Energy Market Commission on establishing a shared market protocol, which will support the recently completed competition in metering rule change.

This rule change request and the proposed rule have been developed based on advice provided to the Council by the AEMC in October 2015.

The rule change proposal and associated description of the proposed rule are attached for your consideration.

Yours sincerely

**Dr Steven Kennedy**

Chair  
COAG Energy Council Senior Committee of Officials  
10 December 2015

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# **Rule change request on updating the electricity B2B framework (implementing a shared market protocol)**

## **1 Name and address of rule change request proponent**

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Secretariat  
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## **2 Description of the proposed rule**

This rule change request seeks to update the arrangements in the National Electricity Rules (NER) related to business to business (B2B) procedures and the Information Exchange Committee (IEC).

The objectives of the proposed arrangements are to promote the long-term interests of consumers of electricity by ensuring that:

- B2B communications in the electricity market, including for advanced meter services, are conducted in the most efficient way possible;
- there are low cost and straight forward routes to market for existing and new companies that want to provide advanced meter services; and
- market arrangements support the development of new advanced meter services that could provide benefits to consumers.

COAG Energy Council officials consider that achieving these objectives will support innovation and competition in the energy market.

The AEMC's rule change on expanding competition in metering and related services (competition in metering) is expected to result in the market led deployment of advanced meters. Among other things, the competition in metering rule change will introduce new parties into the market for metering services. For example, a new metering coordinator role is being introduced and new energy service companies are expected to enter the market for services provided by advanced meters. The competition in metering rule change introduces these parties into parts of the existing B2B framework, but does not amend how the B2B framework operates. Appropriate B2B arrangements are the subject of this rule change request.

The new B2B arrangements would provide a default form and method of communication between parties seeking access to services provided by advanced meters, while still providing some flexibility for parties to agree to an alternative method of communication. This is expected to lower barriers to entry for new parties

entering the market for services available through advanced meters, while not inhibiting innovation in the method of communication between these parties.

The competition in metering final rule determination was published on 26 November 2015. As the competition in metering final rule determination had not been published when this rule change request was being prepared, this rule change request and the attached proposed rule have been drafted on the basis of the competition in metering draft rule determination, which was published in March 2015. This was done in the interests of implementation timeframes.<sup>1</sup>

As an overview, it is proposed that the NER be amended to:

- revise aspects of the governance arrangements for B2B procedures, including expanding the membership of the IEC;
- expand and update the content requirements for B2B procedures to provide for new B2B communications that support services enabled by advanced meters;
- create a new accredited party role for parties wishing to use the B2B e-hub; and
- update the cost recovery mechanism for the new B2B arrangements.

Section 4 of this rule change request sets out the proposed arrangements in further detail. In addition, a proposed rule, based on the draft rule published as part of the competition in metering draft determination, is attached.

### **3 Background**

In December 2012, COAG and the COAG Energy Council agreed to a broad energy market reform package to support investment and market outcomes in the long term interests of consumers.

#### **3.1 AEMC's advice on a shared market protocol**

This rule change request on updating the electricity B2B framework is an important part of the suite of market reforms to the National Electricity Market (NEM) that are underway following the Power of Choice review.<sup>2</sup> These reforms are aimed at improving opportunities for consumers to make more informed decisions about the way they use energy services.

One of the ways consumer choice is being improved is by addressing the market processes and incentives required for distributors, retailers and other parties to offer demand side participation and respond to consumer choice. Following the Power of

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<sup>1</sup> In this rule change request, references to the 'current' arrangements are references to the B2B arrangements in the National Electricity Rules as they stood before any changes resulting from the competition in metering rule change. The numbering in the 'proposed' rule attached to this request is based on the revised Chapter 7 that was published with the AEMC's draft determination on the metering competition in March 2015.

<sup>2</sup> AEMC 2012, Power of choice review - giving consumers options in the way they use electricity, Final Report, 30 November 2012.

Choice review, the COAG Energy Council asked the AEMC to provide advice on a framework for open access and common communication standards (open access advice)<sup>3</sup> that would support competition in demand side management services available to consumers.

The open access advice recommended that a shared market protocol be adopted, to facilitate efficient communications between businesses offering services to consumers. Introducing a shared market protocol framework was expected to promote competition in the market for services enabled by advanced meters, by reducing barriers to entry for new energy service companies while not inhibiting innovation in the method of communications.

However, as there were interdependencies with the competition in metering rule change process, a related reform from the Power of Choice review, the AEMC could not provide advice on how a shared market protocol could be implemented at that time. The COAG Energy Council agreed that supplementary advice on implementing a shared market protocol would be provided at a later date. The AEMC provided that supplementary advice in October 2015.<sup>4</sup>

This rule change request is largely consistent with the recommendations put forward by the AEMC. Some changes to the AEMC's draft rule change request and proposed rule have been made to emphasise the policy intent of the proposed arrangements, suggest options for cost recovery, highlight transitional issues and discuss the need for suitable dispute resolution arrangements, among other things.

A more material change relates to the AEMC's proposal that, in future, the IEC would need to have regard to the National Electricity Objective (NEO) as well as new B2B factors and B2B principles when considering B2B procedures.

Under the current governance framework in the NEM, the three market institutions<sup>5</sup> each have a statutory obligation to make decisions that contribute to achieving the NEO. Other groups, including the current IEC, do not have a similar obligation. COAG Energy Council Officials believe it is preferable that the proposed arrangements are consistent with the existing national framework, so that it remains the responsibility of the market institutions to make decisions in the long term interests of consumers in the manner specified in legislation.

The rule change request does, however, seek to maintain the policy intent of the AEMC's advice that recommendations about making or amending B2B procedures should be made by the IEC, while ensuring that the Australian Energy Market Operator (AEMO) makes its decision having regard to the NEO.

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<sup>3</sup> AEMC 2014, Framework for open access and common communication standards, Report, 31 March 2014.

<sup>4</sup> AEMC 2015, Implementation advice on the shared market protocol, final advice, 8 October 2015.

<sup>5</sup> The Australian Energy Market Commission, the Australian Energy Regulator and the Australian Energy Market Operator.

### 3.2 AEMO's advice on a shared market protocol

COAG Energy Council requested AEMO to prepare advice on the technical requirements for a shared market protocol to inform the development of this rule change request.<sup>6</sup>

Stage 1 of AEMO's advice was provided on 11 March 2015 and included possible designs for the IT platform, including IT requirements, costs and timelines for implementing each design.<sup>7</sup> AEMO canvassed three options – basic, intermediate and advanced models – and recommended the introduction of an 'intermediate' model at this time.

The intermediate model would replace the existing B2B IT platform to enable delivery of near instant messages. It would be compatible with existing B2B functionality (such as file transfer protocol (FTP)) through converters. It would support new services through the availability of free format messages (peer to peer). It would also be capable of transactions; a more sophisticated, automated processing of requests that could make service delivery more efficient and less complicated for parties. For example, a service that requires a large number of messages to be sent between different parties could be reduced to several transactions. AEMO estimated that the intermediate model may cost \$8 to \$13 million for it to develop.

AEMO considered that this was the best option given the value to parties of near instant messages and transaction delivery. It is also lower cost and faster to implement than the advanced option.

Stage 2 of AEMO's advice was provided on 14 May 2015. It included how new metering services could be supported over time and opportunities to leverage the shared market protocol to provide additional services into the energy market.<sup>8</sup>

COAG Energy Council officials note that the proposed rule does not specify particular functionality for the B2B e-hub. As discussed in section 4 of this rule change request, it is proposed that the IEC decide the requirements for the B2B e-hub through development of the B2B procedures, which the B2B e-hub must be capable of supporting.

## 4 Statement of issues

Under the current B2B framework, businesses seeking access to services from a customer's meter communicate with each other in accordance with the requirements set out in the B2B procedures. The B2B procedures are maintained by the IEC, an independent industry group that is supported by AEMO.

As discussed in section 2 above, the competition in metering rule change process will support the market led roll out of advanced meters to small customers within the NEM.

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<sup>6</sup> The terms of reference is available on the COAG Energy Council website.

<sup>7</sup> AEMO 2015, Shared market protocol: part one - advice to the COAG Energy Council, 11 March 2015. Available on the COAG Energy Council website.

<sup>8</sup> AEMO 2015, Shared market protocol: part two - advice to the COAG Energy Council, 14 May 2015. Available on the COAG Energy Council website.

Metering contestability is expected to expand the range of parties participating in the market for services enabled by advanced meters, such as metering coordinators and third party service providers, as well as expanding the range of services available from advanced meters.

The nature of services is also expected to change. For example, it is envisaged that communications for many services will need to be capable of 'near instant' responses. This would enable, among other things, retailers to obtain a meter read during a customer telephone enquiry or a DNSP to obtain a meter enquiry to determine the source of a power outage.

The B2B framework in the NER should be updated to ensure the arrangements remain appropriate. Providing a suitable framework that supports access to advanced meters is a key component to establishing a competitive market for services enabled by advanced metering technology.

In addition, the AEMC's governance of retail market procedures rule determination noted that it may be suitable to revisit the governance arrangements for B2B procedures once the outcomes of the competition in metering rule change were more certain.<sup>9</sup>

COAG Energy Council officials note that other options have been examined and considered not as suitable as the proposed rule. The AEMC's open access advice considered introducing a 'common market protocol', which would be mandatory for all parties to use.

After consultation it was decided that a 'shared market protocol' was preferable:

- For the set of services defined in the minimum services specification, this would provide agreed procedures and a default communications option. Users could also agree to alternative communication options if they considered these were more efficient, although users would still need to comply with the agreed procedures, for example to ensure service performance and security.
- Additional services could also be defined in procedures and/or use the default communications system, although this would not be mandatory.
- New innovative services could be delivered outside the B2B framework but could be brought within it if those services became more common in the market and there was a benefit in doing so.

The following sections of this rule change request provide an overview of the current B2B arrangements, outline the main changes proposed to the NER, and describe how the proposed changes address the issues. We note that in addition to the key changes described below, further changes would be required throughout the NER, in particular to part 7.2A. The attached proposed rule sets out all of the proposed changes.

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<sup>9</sup> AEMC 2014, Governance of retail market procedures, rule determination, 31 July 2014, p.8.

## 4.1 Issues with the current B2B framework

This section sets out the current B2B arrangements in rule 7.2A of the NER and identifies potential issues with those arrangements with regard to the types of services that will be available from advanced meters and the range of parties that will be interested in those services.

### 4.1.1 Governance of B2B procedures

Unlike other procedures provided for in Chapter 7 of the NER that are established and maintained by AEMO, B2B procedures are maintained by the Information Exchange Committee (IEC). The IEC currently consists of three DNSP members, three local retailer/market customer members and two independent members.<sup>10</sup> This reflects the structure of the electricity market created under the National Electricity Law and the types of services which have traditionally been requested between different market participants.

In future, this composition will no longer represent the range of stakeholders that will be interested in B2B communications, particularly as advanced meters become more common in the NEM. For example, metering coordinators will also need to communicate with retailers and distributors. New parties may also want to access advanced meter services to support new products and services for customers. These new parties would not have a representative on the IEC and, if the current rules were maintained, DNSPs and retailers would be responsible for making decisions about B2B procedures that would also affect other parties in the market.

There are also concerns raised by stakeholders around whether:

- an industry group consisting of retail and network representatives would always make decisions in the interests of other parties; and
- whether the governance arrangements are flexible enough to keep up with a potentially rapidly changing market.<sup>11</sup>

The nomination and appointment process for, and requisite qualifications of, members of the IEC are currently set out in the B2B Information Exchange Committee election procedures.<sup>12</sup> Requirements with respect to the election and appointment (as the case may be) of the IEC chairperson and secretary, and the conduct of IEC meetings are currently set out in the Information Exchange Committee operating manual.<sup>13</sup> The content of the IEC election procedures and operating manual can be changed with the support of industry voters.<sup>14</sup> It may be appropriate that some of these requirements be

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<sup>10</sup> Clause 7.2A.2 of the NER.

<sup>11</sup> These concerns were raised in submissions to the AEMC review on implementing a shared market protocol.

<sup>12</sup> Available on the AEMO website.

<sup>13</sup> Available on the AEMO website.

<sup>14</sup> Clause 7.2A.2 (d) and (f) of the NER.

incorporated into the NER, to provide certainty of the process and other requirements for IEC members.

#### **4.1.2 B2B procedures and IEC decision making**

The B2B procedures include requirements for the content, format, delivery and timing for B2B communications.<sup>15</sup> The requirements in the NER should be reviewed to ensure they are able to support services enabled by advanced meters.

A new B2B procedure or a change to the existing B2B procedures can only be proposed by AEMO, a local retailer, a market customer or a DNSP. The IEC is responsible for consulting on any such proposal and making recommendations on the proposal to AEMO.<sup>16</sup> The IEC can conclude not to recommend the proposed new B2B procedure or change to the existing B2B procedures. Alternatively, the IEC may make a recommendation for a new procedure or change to the existing procedures, which may differ from the proposal.<sup>17</sup>

In coming to a conclusion on whether or not to make a recommendation, the IEC must seek to achieve the B2B objective having regard to the B2B principles.<sup>18</sup> The B2B objective and B2B principles relate to cost impacts and benefits for DNSPs, market customers and local retailers. It may be necessary to expand the decision making criteria going forward to reflect the different types of services that will be available and the wider range of parties that will be interested in those services. While it is still relevant to consider the costs and benefits for incumbent participants, there are wider interests that should also be considered, such as the interests of consumers and new entrants to the market.

A decision by the IEC to recommend a new B2B procedure or change to existing B2B procedures requires the support of six or more members of the IEC.<sup>19</sup> If the number of IEC members is expanded, these requirements may also need to be updated.

AEMO must approve the recommendation of the IEC unless it concludes that:<sup>20</sup>

- the IEC has failed to have regard to the B2B objective or the B2B principles;
- the IEC has not followed the rules consultation procedures;<sup>21</sup> or
- the recommendation would conflict with Market Settlement and Transfer Solutions (MSATS) procedures.

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15 Clause 7.2A.4 of the NER.

16 Clause 7.2A.3 of the NER.

17 Clause 7.2A.3(i) of the NER.

18 Clause 7.2A.3(j) of the NER. The B2B objective and principles are set out in full in section 5.3.2.

19 Clause 7.2A.2(m).

20 Clause 7.2A.3(k) of the NER.

21 The IEC must follow the rules consultation procedures (as supplemented by clause 7.2A.3 of the NER) in relation to a proposal for a new B2B procedure or change to the existing B2B procedures. See clause 7.2A.3(e).

It may be necessary to change this process so that responsibilities are allocated appropriately.

#### **4.1.3 IT platform**

Under the current B2B arrangements, communications between local retailers, market customers and DNSPs regarding the supply of electricity to end users occur through the B2B e-hub, an electronic information exchange platform provided and operated by AEMO.<sup>22</sup> The existing B2B e-hub is not capable of supporting the 'near instant' messages that would be necessary to support many advanced metering services. The B2B arrangements may need to be updated to provide for this requirement.

#### **4.1.4 Accreditation**

The NER does not include any requirements around using the B2B e-hub. Parties register themselves with AEMO in order to obtain an AEMO participant ID, which allows them to sign in to AEMO's energy market systems. They are not required to demonstrate that they have compatible back-end systems for interacting with the B2B e-hub.

Currently, all of the parties using the B2B e-hub are either registered participants or accredited with AEMO under the NER. As they are defined under the NER, they can be identified and have obligations imposed upon them with regard to using the B2B e-hub and complying with B2B procedures. Going forward, it may be necessary or desirable to also impose such obligations on third party service providers, who would not otherwise be registered participants or accredited parties.

#### **4.1.5 Obligations**

Under the current B2B arrangements, local retailers, market customers, DNSPs, AEMO, metering providers and metering data providers must comply with the B2B procedures.<sup>23</sup> This may not represent the full range of participants that have an interest in B2B communications going forward, and should be reviewed.

Local retailers, market customers and DNSPs must use the B2B e-hub for B2B communications,<sup>24</sup> except where they have agreed to communicate a B2B communication on a basis other than as set out in the B2B procedures.<sup>25</sup>

As discussed above, the open access advice recommended a communications model that provided some interoperability, while allowing parties to agree to an alternative to

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<sup>22</sup> Clause 7.2A.1 of the NER.

<sup>23</sup> Clause 7.2A.4(i) of the NER.

<sup>24</sup> B2B communications are defined in Chapter 10 of the NER as 'communications between local retailers, market customers and DNSPs relating to an end-user or supply to an end user provided for in the B2B procedures'.

<sup>25</sup> See clauses 7.2A.1 and 7.2A.4(k) of the NER. Where such parties have agreed between themselves to communicate a B2B communication on a basis other than as set out in the B2B procedures, the parties need not comply with the B2B procedures to the extent that the terms and conditions agreed between them are inconsistent with the B2B procedures.

support innovation. Again, the current arrangements no longer represent the range of parties that have an interest in B2B communications and would need to be updated. The current arrangements should also be assessed to determine whether they adequately support interoperability and lower barriers to entry for new parties to the market.

#### **4.1.6 Cost recovery**

The costs related to developing B2B procedures, establishing and operating the IEC, and providing and operating the B2B e-hub are currently paid by AEMO and recouped as participant fees.<sup>26</sup> These fees are currently paid by retailers.

There would be a new set of users of the B2B e-hub that warrants revisiting the current fee payment structure for ongoing cost recovery. Given the wider set of users, it may be more appropriate to consider a user pays model of cost recovery. Ideally, the framework for cost recovery would be flexible and appropriate enough for AEMO to apply fees to the most suitable parties.

There may be significant upfront costs to constitute the new IEC, develop new B2B procedures and redevelop the B2B e-hub. It is important that AEMO has certainty that it will be able to fully recover its costs.

## **4.2 Proposed governance arrangements**

The proposed new arrangements include:

- IEC membership would comprise: an AEMO member (an AEMO director, who would act as the IEC chairperson); two independent members; one DNSP member; one retailer member; one metering member (representing metering coordinators, metering providers and metering data providers); one third party B2B participant member (see 4.5.1 below); one consumer member; and up to two discretionary members.
- Requirements around the election and appointment of IEC members would be incorporated into the NER.
- The DNSP member, retailer member, metering member and third party B2B participant member would be nominated and elected by the category of registered participant and/or accredited party the relevant member is representing.
- The independent members would be nominated and elected by DNSPs, retailers, metering coordinators, metering providers, metering data providers and third party B2B participants.
- The consumer member would be appointed by AEMO in consultation with Energy Consumers Australia. The discretionary members would be appointed by AEMO in consultation with the independent IEC members.

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<sup>26</sup> Clause 7.2A.6(a) of the NER. Requirements related to participant fees are set out in rule 2.11 of the NER.

- Requisite qualifications of IEC members would also be incorporated into the NER.
- Restrictions around nomination of and voting on IEC members for related entities would be introduced.
- The quorum for a meeting would be increased to five (out of seven or eight) IEC members or six (out of nine or ten) IEC members.
- A decision of the IEC to recommend a new B2B procedure, a change to existing B2B procedures or the approval of an IEC works program<sup>27</sup> would require the support of at least 70 per cent of IEC members. Any other decision of the IEC would require the support of at least 60 per cent of members.
- As a transitional provision, AEMO would develop the first IEC election procedures and operating manual to provide for the new IEC framework. Following this, changes to the IEC election procedures and operating manual would be subject to voting by the same group that elects IEC members.

The new IEC membership would be a broadly representative group to reflect those parties that will have an interest in B2B communications following the commencement of competition in metering.

The existing local retailer/market customer member would be replaced by a retailer member as this better reflects the parties that would be impacted by B2B procedures.

Metering coordinators, metering providers and metering data providers would have one collective member on the IEC as they will be integral to the provision of metering services.

The third party B2B participant member would represent the interests of the other parties providing new services that are enabled by advanced meters that are not otherwise represented on the IEC. This could include a wide range of companies providing innovative services that are not yet in the market. It will be important that these companies are represented in decisions about how B2B procedures are developed.

The consumer representative would represent the interests of small electricity customers. Small customers are likely to become more interested in B2B procedures as some may wish to benefit from services enabled by advanced meters, such as data services or load control services. Any cost impact of decisions by the IEC is very likely to impact consumer electricity prices or the cost of services provided by third parties.

The inclusion of discretionary members allows some flexibility to the IEC membership to evolve to changing market conditions. AEMO would have the discretion to appoint up to two discretionary members to represent a class of persons that AEMO considers has an interest in B2B procedures and those interests are not adequately represented on the IEC. These positions could be used to bring particular desirable expertise and representation into the IEC as necessary.

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<sup>27</sup> The work program prepared by the IEC in respect of the development, implementation and operation of the B2B procedures and other matters which are incidental to effective and efficient B2B communications.

The option to appoint discretionary members will be particularly important during the establishment of the new IEC. The IEC will make decisions that affect access to advanced meter services both for companies that are currently in the market and for companies that want to enter the market in the future. AEMO will need to ensure that the interests of future entrants are represented in IEC decisions, to the extent that this is possible. For example, AEMO could choose to appoint a discretionary member to represent the interests of third party B2B participants even if there are no such participants accredited to use the B2B e-hub at the time the new IEC is formed.

As chairperson, the AEMO member would be able to vote and provide some strategic guidance to the IEC. However, IEC decisions would be made by a vote of IEC members, with a 70 percent majority required for significant decisions. Along with the B2B principles and the B2B factors, this 'super majority' is intended to balance consideration of the costs of changes to procedures with their benefits, for example when considering whether to introduce innovative meter services into the procedures.

The introduction of restrictions for nomination and voting of related entities would address concerns that related entities may exercise voting power to secure the IEC membership position for that category of stakeholders.<sup>28</sup>

In considering the arrangements for the membership of the IEC, COAG Energy Council officials have not made any specific changes to obligations or qualifications of members contained in the draft rule provided by the AEMC. During the rule change process, we do ask however that the AEMC consider how terms such as 'independent judgment' and 'significant source of income' can be better defined to provide more guidance around conflict of interest issues and the obligations of IEC members.

### **4.3 Proposed arrangements for B2B procedures**

The proposed new arrangements would include:

- B2B procedures must, in addition to the existing content requirements set out in clause 7.2A.4 of the NER, provide for B2B communications to support each of the services set out in the minimum services specification.
- Additional advanced meter services could be included in B2B procedures if agreed by the IEC.
- B2B procedures may include performance requirements for the B2B e-hub.
- B2B procedures must allow for parties to communicate outside the B2B e-hub, but parties must still comply with any B2B procedures defined for the services being used.
- When making recommendations about B2B procedures, the IEC must have regard to the new B2B factors, and give effect to the revised B2B principles. The new B2B factors would include:

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<sup>28</sup> For example, AGL has five businesses registered as market customers (retailers).

- The reasonable costs of compliance by AEMO, DNSPs, retailers, metering coordinators, metering providers, metering data providers and third party B2B participants with the B2B procedures including the costs of changes to IT systems, compared to the likely benefits arising from the proposed B2B procedure. The IEC will need to decide whether costs are appropriate to incur in relation to the benefits that can be achieved.
- The likely impacts on innovation and barriers to entry in the market for advanced meter services resulting from making the new B2B procedure or changing the existing B2B procedures. Other things being equal, the IEC should recommend in favour of changes that support innovation and lower barriers to entry.
- The timeframe needed to change B2B procedures and implement these changes via the e-hub. For example, while a major change to B2B procedures that takes a long time to implement may deliver significant benefits to consumers, a short-term, incremental change may deliver benefits sooner, with lower risk. Consideration could also be given to staging<sup>29</sup> information technology changes, for example to enable cost savings to be made in implementation.

The IEC will need to consider the timing of changes to the B2B procedures as part of its assessment of whether a change is appropriate in the context of the B2B principles and the other B2B factors. This will be particularly important in the initial phase of establishing new B2B procedures and the expanded B2B e-hub.

B2B procedures primarily work to support efficient commercial operations. However, the National Electricity Law and Rules, and individual jurisdiction requirements, also affect the transactions that need to be completed by participants and may lead to a need for corresponding procedures. The AEMC should consider whether an additional B2B factor is needed, which would require the IEC to have regard to whether a change to B2B procedures would be an efficient way to enable parties to meet a legal obligation.

- The revised B2B principles are:
  - B2B procedures should provide a uniform approach to B2B communications in participating jurisdictions.
  - B2B procedures should detail operational and procedural matters and technical requirements that result in efficient, effective and reliable B2B communications.
  - B2B procedures should avoid unreasonable discrimination between DNSPs, retailers, metering coordinators, metering providers, metering data providers and third party B2B participants.

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<sup>29</sup> In this context ‘staging’ refers to bundling together proposed changes to market systems and procedures in order to reduce the disruption, risk, cost or complexity of the changes being introduced. This might include situations where a number of rule changes are being introduced and it would be more efficient to complete procedure changes together.

- B2B procedures should protect the confidentiality of commercially sensitive information.

Before the IEC consults on a proposal to make a new B2B procedure or change the existing B2B procedures, it must seek AEMO's advice on the necessary upgrades to the B2B e-hub to deliver the procedure change and the likely costs involved. This information would be included in the consultation documents, consisting of a B2B Proposal and a B2B Procedures Change Pack. The consultation documents would also include an initial assessment of the B2B proposal against the B2B Principles and the B2B factors. This would support transparency in the IEC's consideration of both the costs and benefits of changes to B2B procedures.

The services that will be offered through the B2B e-hub may rely more heavily on 'near instant' delivery times, meaning that the performance of the hub may be vital for some services. It is necessary to expand the content requirements of B2B procedures to include performance requirements for the B2B e-hub, such as the speed at which the B2B e-hub is required to process communications.

The minimum services specification managed by AEMO will set out performance requirements and service standards for advanced meter services in the specification. These could include, for example, service availability, acknowledgement timeframes, completion timeframes and quality requirements of the service. For advanced meter services in the B2B procedures that are additional to the minimum services specification, the IEC will need to consider whether to include similar performance requirements. Information about minimum expected performance levels may help providers to develop new service offerings.

Allowing parties to communicate outside the hub is necessary to support the requirement that parties may agree to use an alternative to the B2B e-hub.

The IEC would be required to have regard to the B2B factors and give effect to the B2B principles when making decisions about B2B procedures.

While the current B2B objective would no longer apply, the consideration of cost-benefit impacts would be needed to address the B2B factors. The IEC would be able to weigh the B2B factors and B2B principles against each other to achieve the best overall outcome.

The way in which new services are integrated into B2B procedures will be important for supporting innovation and competition. Service providers are likely to seek market advantage by offering innovative services and might not want to compromise this by sharing their intellectual property in the form of public B2B procedures. However, as new services become more common and established, it is likely to be more efficient if providers start to use shared procedures and communications tools. Some new entrants might want their service to be supported by procedures at an early stage.

The IEC will need to consider how innovative services are brought into procedures and the e-hub, including through:

- use of free-format messages between participants via the e-hub; and
- development of new B2B procedures using the change process outlined in the proposed rule.

### *AEMO role in decisions*

In its final advice, the AEMC recommended that the IEC should also have regard to the NEO when considering whether to recommend a procedure change to AEMO. The AEMC also proposed that AEMO, in making its B2B decision, should be limited in its ability to review any proposal from the IEC, to considering whether the change process had been followed and whether the proposed change conflicted with the Market Settlement and Transfer Solution Procedures. The AEMC's proposed rule expressly stated that AEMO must not consider the merits of the IEC recommendation, which would include the manner in which the IEC had considered the NEO.

COAG Energy Council officials agree that procedure changes should be assessed against the NEO given their possible impact on consumers. However, COAG Energy Council officials believe the role of considering whether a procedure change would contribute to achieving the NEO should be carried out by AEMO.

This is consistent with the existing governance arrangements contained within the National Electricity Law (NEL). Each of the market institutions are required to perform their statutory functions in a way that contributes to the delivery of the NEO, but a similar obligation is not placed on industry bodies. It would be contradictory under the NEL for an industry group, but not AEMO, to have a role in considering whether a proposal contributes to achieving the NEO.

Having an independent market institution consider whether proposed IEC procedures are consistent with the NEO will be essential for ensuring that the long term interests of consumers are a primary consideration. It may also counter any factors that may influence IEC decisions away from the long-term interests of consumers, such as the short-term commercial interests of IEC members.

We do not believe that having an AEMO Board member as an independent chair of the IEC is sufficient to make sure that the IEC recommendations help achieve the NEO. This is primarily because the chair does not have power of veto where a proposal may not be consistent with the NEO. It will, however, reduce the likelihood that IEC recommendations are rejected by AEMO when submitted.

Under this proposal, if AEMO, in having regard to the NEO, rejects an IEC recommendation, rather than make a preferred procedure it would publish its reasons for rejecting the proposal. The IEC may then choose to reconsider the procedure's design. This maintains the intent of the AEMC's final advice, that designing procedures is best done by the IEC, based on its assessment against the B2B factors and B2B principles.

The proposed rule does include drafting to break the stalemate if the IEC decides not to recommend a change to procedures, but AEMO considers that, having regard to the NEO, a change should be made. The AEMC should consider whether this situation is likely to arise in practice and whether the proposed solution is appropriate.

#### **4.4 IT platform**

The proposed new arrangements would include:

- The B2B e-hub must support B2B communications listed in the B2B procedures. This would include communications for services in the minimum services specification and additional advanced meter services if agreed by the IEC.
- The B2B e-hub must meet performance requirements specified in the B2B procedures.

The technical performance of the B2B e-hub may influence whether particular advanced metering services are offered through the B2B e-hub. This may also influence the potential benefits available to consumers from these procedures. Allowing the B2B procedures to specify performance requirements for the B2B e-hub allows the IEC to set minimum requirements for AEMO's development of the B2B e-hub.

#### **4.5 Accreditation**

The proposed new arrangements would include:

- A new accredited party role (B2B e-hub participant) would be established and any party wishing to use the B2B e-hub would need to be accredited by AEMO as a B2B e-hub participant.
- AEMO must establish an accreditation process for B2B e-hub participants.

Accreditation would create a means by which third parties using the B2B e-hub become a defined category of persons under the NER. This assists in providing a framework under which obligations related to B2B arrangements may be imposed on those parties, such as compliance with the B2B procedures and the payment of fees. It provides a means by which these parties can be identified and contacted by AEMO and be assigned IEC nomination and voting rights.

Accreditation also allows AEMO to check that parties have appropriate IT and security to interface with and use the B2B e-hub, should this be considered necessary. This may be more important going forward as advanced metering services may present higher risks around data, security and confidentiality in the future.

In developing the accreditation process, AEMO would have discretion to apply different processes to different categories of applicant, or exempt certain parties from aspects of the accreditation process. This recognises that parties may interact with the B2B e-hub in different ways<sup>30</sup> and AEMO can minimise compliance costs by applying differentiated but suitable criteria.

#### **4.6 Obligations to use the e-hub and comply with procedures**

The proposed new arrangements would include:

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<sup>30</sup> For example, some parties may wish to send 'near instant' messages related to advanced metering services, while others may continue to send messages through the existing FTP functionality.

- AEMO, DNSPs, retailers, metering coordinators, metering providers, metering data providers and B2B participants are required to comply with B2B procedures.
- DNSPs, retailers, metering coordinators, metering providers, metering data providers and third party B2B participants must use the B2B e-hub for B2B communications, unless they have agreed between themselves to use an alternative method of communication.

A common information technology platform for advanced meter communications will be an important tool to support the entry of innovative products and services into the electricity market. Providers are likely to want to use many of the services that are defined in the B2B procedures. For example, access to real-time consumption data and meter status information could be an input to energy monitoring and management tools.

Under the competition in metering rule change, access to these services will be a commercial product that is sold to users. For example, a metering coordinator could negotiate with an energy management company to provide access to a real-time data stream from a customer's meter, with consent from the customer. For the energy management company, it will be much easier and less costly if it only needs to integrate with one information technology system, the B2B e-hub, rather than with a different system for each metering coordinator.

Under the proposal in this rule change, B2B participants would be able to negotiate to use an alternative communications system if they believe this is a more efficient way to deliver services. Delivery of advanced meter services via the e-hub should, however, be the default option. This will lower the costs of system development for service providers, leading to lower barriers to market entry. Parties that control access to advanced meter services, particularly metering coordinators, must not be able to require use of an alternative communications method as a condition of use of a particular service.

COAG Energy Council officials consider that the proposed rule achieves these goals. Parties will be required to use the e-hub unless they agree to an alternative communications method. However, stakeholders should raise any concerns with this proposal during the rule change process.

While parties may agree between themselves to use an alternative method of communication (outside the B2B e-hub), the B2B procedures would continue to apply if specified for that service. It may be vital that some services include particular information in the message or that a particular process be followed. For example, disconnection and reconnection services could have serious impacts on life support customers and risks can be managed by following an agreed protocol when providing those services. Also, B2B procedures may include roles and responsibilities for metering providers and metering data providers. These parties should still be subject to obligations provided in the B2B procedures.

#### **4.7 Cost recovery**

The proposed new arrangements would include:

- Operating costs associated with any service provided by AEMO to facilitate B2B communications (including providing and operating the B2B e-hub) and the costs of developing B2B procedures and establishing and operating the IEC will be paid by AEMO and recouped as participant fees.
- The AEMC proposed that third party B2B participants should be deemed to be Registered Participants in order to be able to recover participant fees from them, which has been retained in the proposed rule. However, COAG Energy Council officials believe the AEMC should consider whether it would be preferable to introduce a new category of Registered Participant for third parties. A new registration category would allow appropriate, limited obligations to be imposed on third parties which could include, for example, needing to protect confidential information in the same way as other participants.

The entry to market and appropriate regulation of third parties is likely to be an important issue as the electricity market develops in future. A suitable registration category may be one way to future-proof the market regulatory framework. The rules currently include examples of registration categories for specific, limited purposes, including for Traders and Reallocators. The registration requirements for third parties would need to be proportional to the role they will fill in the market, for example relating to a party's IT and security capabilities.

Cost recovery through participant fees provides certainty that AEMO can recover its B2B costs over time. Introducing a cost recovery model that is solely user pays would not provide certainty that AEMO would be able to recover its expenditure. There is a risk that parties could choose to use an alternative to the B2B e-hub and would no longer pay B2B participant fees, before AEMO is able to recover its upfront investment costs.

AEMO would develop a structure for the participant fees taking into account any changes to the B2B arrangements in accordance with rule 2.11 of the NER. There is significant discretion for AEMO to determine suitable fee structures for registered participants.

This option recognises that it may be appropriate to recover some B2B costs from parties that choose not to use the B2B e-hub, as these parties would benefit from other IEC activities and the development of B2B procedures.

Metering providers and metering data providers are not registered participants and would not be charged participant fees. As with the current arrangements, this is appropriate as they provide services to other parties using the B2B e-hub.

#### **4.8 Other**

B2B arrangements are provided for in other parts of the NER and would need to be updated.

For example, the dispute resolution provisions in clause 8.2A.2 of the NER would need to be updated in light of the proposed arrangements. The proposed rule includes a suggested revision to the dispute resolution process. This would amend the current

dispute resolution process that applies to the B2B change process, so that any B2B party could access dispute resolution.

However, this would mean that there is not complete overlap between the set of people who can propose a change to B2B procedures and the set of people that can access dispute resolution. For example, under the proposed rule, any party can propose a change, but only B2B parties can access dispute resolution. The AEMC should assess whether this represents a risk that some parties may not be able to challenge B2B decisions.

In future, a decision not to make a change to procedures may be as significant as a decision to make a change. For example, if the IEC recommends and AEMO agrees not to change procedures to support a new service, companies that want to offer that service may not be able to enter the market. The proposed rule seeks to provide access to dispute resolution about AEMO's decision for affected parties in these situations

#### **4.9 Transitional**

Throughout the consultation processes on changes to the metering rules in the National Electricity Market, some stakeholders have emphasised the importance of aligning the timing for development of the shared market protocol with the introduction of changes to metering in the National Electricity Market. While the shared market protocol is not essential to the provision of meters and related services to customers, COAG Energy Council officials consider that it is desirable that reforms in the market are aligned. This is because, while the metering competition rule change creates the framework for providing meters to customers, the shared market protocol supports the use of these meters to provide benefits to customers. There is also a risk that, should implementation of the shared market protocol be delayed, its value will diminish, as it will force an increasing number of parties who wish to use advanced meter services to develop alternative communications platforms if they wish to offer services from the commencement of the market.

This section outlines some of the transitional steps that would need to be carried out to implement the proposed rule. It also provides some target dates for implementation so that new B2B procedures and the B2B e-hub are available when the competitive metering market commences. In the rule change process, the AEMC should consider whether the final rules need to specify the timeframes within which actions need to be completed, such as the formation of the new IEC and the publication of new B2B procedures. The new IEC will also need to consider how to sequence its work to maximise benefits under the B2B Principles and the B2B factors.

There are also many existing B2B procedures used in the market that will not be affected by the introduction of advanced meter services, including field services. It is not the intention of this rule change request that the new IEC would need to consider and re-make each of these procedures. The AEMC should consider options to minimise the effort needed to adopt the existing B2B procedures, ensuring that they are transitioned as necessary and are available at the start of the competitive metering market.

Transitional steps are likely to include:

- AEMO to develop new IEC election procedures and operating manual to provide for the new IEC framework (1 August 2016).
- AEMO to run an IEC election process to form the new IEC (1 October 2016).
- New IEC to develop amended B2B procedures in accordance with the new B2B framework (1 April 2017).
- AEMO to update the B2B e-hub to comply with new B2B procedures.
- AEMO integration testing of B2B e-hub with industry systems.
- AEMO to develop an accreditation process for B2B e-hub participants (1 April 2017).
- AEMO to amend its participant fee structure to incorporate the recovery of B2B costs.
- Availability of new B2B e-hub at the start of the competitive metering market (1 December 2017).

## 5 NEO assessment

The rule making test in section 88 of the National Electricity Law (NEL) requires that the AEMC may only make a rule if it is satisfied that the rule will or is likely to contribute to the achievement of the national electricity objective (NEO). The NEO, set out in s. 7 of the NEL, is to:

“promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to:

- (a) price, quality, safety, reliability and security of supply of electricity; and
- (b) the reliability, safety and security of the national electricity system.”

The proposed rule is intended to support the efficient uptake of products and services by small customers. It complements the competition in metering rule change process, which seeks to facilitate the market led roll out of advanced metering infrastructure. This advanced metering infrastructure would enable service providers to offer, and consumers to take up, a wider range of products and services that are enabled by advanced meters. Updating the B2B framework facilitates this by introducing a standard form of communication that parties can use to access the services available through advanced metering infrastructure.

The proposed rule would be likely to contribute to the NEO in the following ways.

### *Efficient investment in services available through advanced metering infrastructure*

The recommendations are designed to improve interoperability for parties communicating about the services available through advanced metering infrastructure. Having a shared form and method of communication means that parties would not be required to have multiple systems to interact with each other. This is likely to lower

barriers to entry and facilitate new participants entering the market for services enabled by advanced meters. It may also lead to greater efficiencies for existing retailers and DNSPs that may also be required to communicate with multiple parties in the market.

Promoting efficient interactions between parties is likely to reduce their operating costs and support the development of demand side services which improve efficient market and network operation. These cost savings may be passed onto end users, including small customers, who may ultimately pay for the services provided in respect of their connection point.

Minimising barriers to entry for new participants provides an environment that is conducive to competition. Improving competition in the market for services that can be provided by advanced metering infrastructure may lead to a wider variety of services being available to consumers and other parties. Service providers would be encouraged to innovate and invest in new products and services that can be tailored to the needs of their customers. If competition leads to differentiation in price and quality, customers may have access to services that better meet their individual needs, such as better quality services (for example, comprehensive energy management systems) or lower cost services (for example, simple access to energy usage data).

While the proposed rule provides a standard mechanism for communicating, it is worth noting that it does not provide a right for parties to access the services that are the subject of the communications. The proposed rule would make transactions more efficient to the extent that parties have commercially entered into those transactions

The proposed rule also supports investment and innovation in new products and services by allowing parties to agree to use an alternative method of communicating with each other. This allows the market to determine the most efficient way of communicating about a particular service. As mentioned above, supporting innovation may lead to a wider range of products and services being offered and will allow parties to select products and services that best suit their needs. Using an alternative, more efficient form of communication should also be expected to flow through to the prices being paid by end users.

#### *IEC - governance arrangements*

Industry members (and ultimately, their customers) will bear the costs and receive the benefits of decisions about B2B procedures and are therefore likely to make the most effective and efficient decisions regarding the content of B2B procedures. Expanding the membership of the IEC to include service providers and consumers will ensure that decision making is more representative of the parties that will use the services delivered through B2B. Promoting efficient decision making and investment in communications would be expected to place a downward pressure on costs that are ultimately paid by end users.

#### *Reducing the costs of maintaining quality, reliability and security of the supply of electricity*

While it would be possible for parties to provide advanced metering services without updating the B2B arrangements, having a shared method of communication is likely to be less complicated and costly than dealing with parties across multiple platforms. If participants choose to offer services, having a shared platform is expected to result in

the increased development and uptake of services that can be provided by advanced metering infrastructure.

The potential increased uptake of services by DNSPs related to network functions is expected to assist them to monitor reliability, security and quality of electricity supply. For example, access to supply status and voltage monitoring may enable DNSPs to respond more promptly to power outages or poor quality supply. In addition, access to services such as direct load control, remote disconnection and remote reconnection by DNSPs may enable them to manage the use of the network more efficiently and make more efficient decisions on network investment for the benefit of consumers. Deferring unnecessary investment in networks would save costs for consumers.

## **6 AEMO's declared network functions**

The proposed rule will not affect AEMO's declared network functions.

## **7 Expected costs, benefits and impacts of the proposed rule**

The proposed rule is expected to have the following impacts on parties.

### *End use customers*

- Introducing a shared market protocol framework may facilitate an increased range of services being offered to consumers, allowing greater choice in products and services that are tailored to suit their needs. For example, services may be offered to inform consumers of their electricity usage or manage their electricity usage, which may assist consumers to save on electricity costs.
- There may be increased competition for services in the short term, and increased innovation in the long term. This may lead to lower cost services being available.
- Small customers would be represented on the IEC through the appointment of a consumer member.

### *DNSPs and retailers*

- DNSPs and retailers must become an accredited B2B e-hub participant if they wish to use the B2B e-hub.
- DNSPs and retailers must comply with B2B procedures. They must also use the B2B e-hub for B2B communications that are provided for in B2B procedures, unless agreed otherwise with the party to whom they are communicating.
- DNSPs and retailers may be required to pay B2B costs through participant fees as determined by AEMO.
- Having access to an enhanced shared communications platform may lead to greater operational efficiencies.

### *Market customers that are not retailers*

- Currently, local retailers and market customers are represented on the IEC. This membership category would be changed to retailers (see section 4.3.1 of this

advice). As a result, market customers that are not retailers will no longer have a representative member on the IEC and will not participate in nomination and voting for IEC representatives, unless they choose to become an accredited B2B e-hub participant.

- Market customers that are not retailers will no longer be required to comply with B2B procedures or use the B2B e-hub for B2B communications.
- Market customers that are not retailers but have otherwise decided they wish to use the B2B e-hub (as an accredited B2B e-hub participant) are required to comply with B2B procedures and, in that capacity, may be required to pay participant fees as determined by AEMO (as a deemed registered participant). They may also nominate and participate in the election of the third party B2B participant IEC member and the independent IEC members.

#### *Metering coordinators, metering providers and metering data providers*

- Metering coordinators, metering providers and metering data providers will have a representative member on the IEC and can participate in nomination and election of the metering IEC member and the independent IEC members.
- Metering coordinators, metering providers and metering data providers must become accredited B2B e-hub participants to use the B2B e-hub.
- Metering coordinators, metering providers and metering data providers must comply with B2B procedures. They must also use the B2B e-hub for B2B communications that are provided for in B2B procedures, unless agreed otherwise.
- Metering coordinators may be required to pay B2B costs through participant fees as determined by AEMO.
- Having access to a shared communications platform may lead to greater operational efficiencies and provide for efficient entry of new service providers.

#### *Third party energy service companies*

- Third party B2B participants may have a representative member on the IEC and can participate in nomination and election of the third party B2B participant IEC member and the independent IEC members.
- Third party energy service companies must become an accredited B2B e-hub participant to use the B2B e-hub.
- Third party energy service companies must comply with B2B procedures. They must also use the B2B e-hub for B2B communications that are provided for in B2B procedures, unless agreed otherwise.
- Third party B2B participants may be required to contribute to B2B costs by paying participant fees as determined by AEMO.
- Having access to a shared communications platform may lead to greater operational efficiencies and lower barriers to entry for these new parties.

## *AEMO*

- AEMO would be required to appoint a director as a member of the IEC. That member will be the chairperson of the IEC.
- AEMO would be required to:
  - develop the first IEC election procedures and operating manual;
  - carry out an election process for the new IEC, including the appointment of the consumer member and up to two discretionary members;
  - provide and operate the B2B e-hub;
  - establish and apply an accreditation process for B2B participants; and
  - update the fee structure for registered participants to account for B2B costs.
- AEMO would be required to make B2B decisions having regard to the NEO, and to publish its decisions.
- AEMO would be required to incur upfront and ongoing costs related to providing and operating the B2B e-hub and establishing and operating the IEC. These costs may be subsequently recouped through participant fees.

## *IEC*

- The IEC would be re-formed in accordance with the proposed rule.
- The new IEC would be responsible for developing and maintaining the B2B procedures.
- The new IEC would be required to have regard to the new B2B factors and give effect to the B2B principles when making decisions about B2B procedures.

## **8 Summary of consultation**

A significant amount of consultation on communication issues and the B2B framework has been carried out to inform the development of this rule change request. The views put forward by stakeholders are relatively recent, with the most recent advice on implementing the shared market protocol being provided by the AEMC in October 2015.

The AEMC's advice on implementing a shared market protocol involved two rounds of consultation and a stakeholder workshop. A consultation paper was released from December 2014 to February 2015 and 19 submissions were received. The stakeholder workshop was held in April 2015 and approximately 40 stakeholders attended. The draft advice was released from June 2015 to July 2015 and 21 stakeholder submissions were received.

AEMO's advice on a shared market protocol was developed in consultation with a working group of approximately 30 industry representatives. The working group met from September 2014 to December 2014 to discuss issues related to the development of AEMO's advice.

The AEMC's advice on a framework for open access and common communication standards was developed in close consultation with an advisory stakeholder working group of approximately 20 industry representatives. Six meetings were held from October 2013 to March 2014. A draft report was released for consultation from December 2013 to January 2014 and 26 submissions were received. A supplementary paper was released for consultation from February 2014 to March 2014 and 16 submissions were received. In addition, a public forum was held in April 2014.

**Shared Market Protocol – proposed rule drafting based on draft  
National Electricity Amendment (Expanding competition  
in metering and related services) Rule 2015**

**[1] Part H of Chapter 7**

**Omit Part H of Chapter 7 and substitute:**

**Part H B2B Requirements**

**7.17 B2B Arrangements**

**7.17.1 B2B e-Hub**

- (a) *AEMO* must provide and operate a *B2B e-Hub*.
- (b) The *B2B e-Hub* must:
  - (1) have the capability to facilitate the *B2B Communications* in accordance with the *B2B Procedures*; and
  - (2) meet any minimum standards of performance specified in the *B2B Procedures*.
- (c) A person must not use the *B2B e-Hub* unless they are a *B2B e-Hub Participant*.
- (d) Each *B2B Party* and *AEMO* must comply with the *B2B Procedures*.
- (e) Subject to paragraph (f), each *B2B Party* must use the *B2B e-Hub* for *B2B Communications* in accordance with the *B2B Procedures*.
- (f) *B2B Parties* may, on such terms and conditions as agreed between them, communicate a *B2B Communication* on a basis other than through the *B2B e-Hub* provided the *B2B Communication* is otherwise made by electronic means and in accordance with the *B2B Procedures*.
- (g) Despite paragraphs (d) and (e), a person:
  - (1) appointed as a *Metering Coordinator*<sup>1</sup> in respect of a *transmission network connection point*; and
  - (2) not accredited as a *B2B e-Hub Participant*,is not required to:
  - (3) comply with the *B2B Procedures*; and
  - (4) use the *B2B e-Hub* for *B2B Communications*,in respect of that *transmission network connection point*.

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<sup>1</sup> “Metering Coordinator” is defined in the Draft National Electricity Amendment (Expanding competition in metering and related services) Rule 2015.

### 7.17.2 B2B e-Hub Participants

- (a) *AEMO* may accredit persons to be *B2B e-Hub participants* in accordance with this Rule.
- (b) A *B2B e-Hub Participant* is a person so accredited by *AEMO*.
- (c) *AEMO* must establish and maintain an accreditation process for *B2B e-Hub Participants* (including circumstances under which accreditation can be revoked by *AEMO*) and *publish* information relating to the process by which parties can apply to be accredited as *B2B e-Hub Participants*.
- (d) To be eligible for accreditation as a *B2B e-Hub Participant*, a person must:
  - (1) satisfy *AEMO* that it is complying with and will comply with the *B2B Procedures*;
  - (2) satisfy such other requirements as reasonably determined by *AEMO*, which may include (but are not limited to):
    - (i) systems and information technology requirements necessary for secure use of the *B2B e-Hub*; and
    - (ii) fee payment and credit support requirements.
- (e) *AEMO* may exempt persons or classes of persons from any one or more requirements of the accreditation process for *B2B e-Hub Participants* established under paragraph (c), subject to such conditions as *AEMO* considers appropriate.

### 7.17.3 Content of the B2B Procedures

- (a) The *B2B Procedures* may be constituted by one or more separate documents and:
  - (1) must provide for *B2B Communications* to support each of the services set out in the *minimum services specification*<sup>2</sup>;
  - (2) may provide for any other *B2B Communications*;
  - (3) may include obligations in relation to the information to be maintained and provided to support *B2B Communications*;
  - (4) must not restrict *B2B Parties* from communicating *B2B Communications* on a basis other than through the *B2B e-Hub* as permitted under clause 7.17.1(f) and may specify requirements in accordance with which such *B2B Communications* must be made; and
  - (5) may prescribe the manner in which *B2B Parties* can agree to communicate *B2B Communications* on a basis other than through the *B2B e-Hub*; and

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<sup>2</sup> “Minimum services specification” is defined in the Draft National Electricity Amendment (Expanding competition in metering and related services) Rule 2015.

- (5) may include minimum performance standards for the *B2B e-Hub*.
- (b) For each *B2B Communication*, the *B2B Procedures*:
  - (1) must specify:
    - (i) the required *B2B Data* inputs and *B2B Data* outputs;
    - (ii) the required business process flows and related timing requirements;
    - (iii) the required content and format;
    - (iv) the required delivery method; and
    - (v) the back-up delivery method to be used where the required delivery method cannot be used; and
  - (2) may specify:
    - (i) details for testing and certification;
    - (ii) provisions relating to contingency arrangements; and
    - (iii) examples of how a *B2B Communication* may operate in practice.
- (c) *B2B Data* is *confidential information* and may only be disclosed as permitted by the *Rules*.

#### **7.17.4 Making and changing B2B Procedures**

##### **B2B commencement date**

- (a) Any new *B2B Procedures* or change to the *B2B Procedures* must specify the date on which the new *B2B Procedures* or change to the *B2B Procedures* will commence (***B2B commencement date***).
- (b) The *B2B commencement date* must be not less than 10 *business days* after publication of the *B2B Decision* to approve an *Information Exchange Committee Recommendation* to make a new *B2B Procedures* or to make a change to the *B2B Procedures*.
- (c) The *Information Exchange Committee* may change the *B2B commencement date* to a date later than that previously specified by the *Information Exchange Committee* following consultation with *AEMO* and any affected *B2B Parties*. If the *B2B commencement date* is changed by the *Information Exchange Committee*, the *Information Exchange Committee* must provide *AEMO* with that date and *AEMO* must *publish* that date.

##### **Minor and non-material changes to the B2B Procedures**

- (d) If a change to the *B2B Procedures* is necessary to correct a minor error in the *B2B Procedures*, or involves a non-material change to the *B2B Procedures*, the *Information Exchange Committee* may recommend the change to *AEMO* and need not consult on the change in accordance with the *Rules consultation procedures*. Paragraphs (a)

and (c) and (n) to (q) (inclusive) and clause 7.17.5 apply to such a change (with any necessary modifications).

- (e) *AEMO* must *publish* its *B2B Decision* in relation to a change under paragraph (d), and must notify all *B2B Parties* of the change.

**Process for making and changing B2B Procedures**

- (f) Any person may propose *B2B Procedures*, or a *change* to the *B2B Procedures* to the *Information Exchange Committee*. The proposal must be submitted in writing to the *Information Exchange Committee* and must provide details of the proposal and supporting information, including reasons for any proposed new or changed *B2B Procedure*.

- (g) Within 25 *business days* of receipt by the *Information Exchange Committee* of a proposal under paragraph (f), the *Information Exchange Committee* must meet to determine whether, on a *prima facie* basis making new *B2B Procedures* and/or *changing* the *B2B Procedures* is warranted having regard to the *B2B factors* and considering the *B2B Principles*.

- (h) If, after its consideration under paragraph (g), the *Information Exchange Committee* decides that the proposal made under paragraph (f) is misconceived or lacking in substance and should not be considered further, the *Information Exchange Committee* must within five *business days* provide written reasons for that decision to the person who made the proposal.

- (i) If, after its consideration under paragraph (g), the *Information Exchange Committee* decides that the proposal made under paragraph (f) should be considered further, the *Information Exchange Committee* must:

- (1) develop the proposal into a *B2B Proposal* (which may differ from the proposal originally made) and an accompanying *B2B Procedures Change Pack* for consultation; and

- (2) seek *AEMO*'s advice on whether:

(i) a conflict with the *Market Settlement and Transfer Solution Procedures* arises from the *B2B Proposal*; and

(ii) changes are required to the *B2B e-Hub* in order to deliver the *B2B Proposal* and, if so, the likely costs of making such changes,

and include any such advice in the *B2B Procedures Change Pack*.

- (j) The *Information Exchange Committee* must comply with the *Rules consultation procedures* in relation to the *B2B Proposal*. For the purposes of rule 8.9(b), the nominated persons to whom notice must be given are *B2B Parties*, *AEMO* and such other persons who identify themselves to the *Information Exchange Committee* as interested in the *B2B Procedures*. For the purposes of the notice, the particulars of the matters under consultation must include a copy of the *B2B Procedures Change Pack*.

- (k) *AEMO* must *publish* the notice of consultation within 3 *business days* of its receipt and must notify all persons referred to in paragraph (j) of the consultation.
- (l) In addition to the matters which rule 8.9(g) requires be included in the draft report, the draft report must contain details of how the *Information Exchange Committee* has had regard to each of the *B2B factors* and considered the *B2B Principles* in relation to the *B2B Proposal* and how the *Information Exchange Committee* has considered each submission having regard to the *B2B factors* and considering the *B2B Principles*.
- (m) In addition to the matters which rule 8.9(k) requires be included in the final report, the final report must contain details of how the *Information Exchange Committee* has had regard to each of the *B2B factors* and considered the *B2B Principles* in relation to the *B2B Proposal* and how the *Information Exchange Committee* has considered each submission having regard to the *B2B factors* and considering the *B2B Principles*.
- (n) The *Information Exchange Committee* must make a recommendation to *AEMO* (an *Information Exchange Committee Recommendation*):
  - (1) to not make the proposed new *B2B Procedure* or to not to make a proposed *change* to the *B2B Procedures*; or
  - (2) to make a proposed new *B2B Procedure* or to make a proposed *change* to the *B2B Procedures*.
- (o) An *Information Exchange Committee Recommendation* made under paragraph (n)(2) may recommend a different *B2B Procedure* or *change* to the *B2B Procedures* than that originally proposed under paragraph (f).
- (p) The *Information Exchange Committee Recommendation* under paragraph (n) must be included in the final report required under rule 8.9(k).
- (q) In making an *Information Exchange Committee Recommendation* under paragraph (n), the *Information Exchange Committee* must have regard to the *B2B factors* and ensure that the *Information Exchange Committee Recommendation* gives effect to the *B2B Principles*.
- (r) For the purposes of paragraph (q), to the extent of any conflict between the *B2B Principles*, the *Information Exchange Committee* may determine the manner in which those principles can best be reconciled or which of them should prevail.

#### **7.17.5 B2B Decision**

- (a) *AEMO* must make a *B2B Decision* in accordance with this clause.
- (b) *AEMO* may, having regard to the *national electricity objective*, make a *B2B decision*:

- (1) to approve an *Information Exchange Committee Recommendation*; or
  - (2) not to approve an *Information Exchange Committee Recommendation*.
- (c) Despite paragraph (b), *AEMO* must not make a *B2B Decision* to approve an *Information Exchange Committee Recommendation* if it considers that:
- (1) in making the *Information Exchange Committee Recommendation*, the *Information Exchange Committee* has not:
    - (i) had any regard to the *B2B factors* and/or given any consideration to the *B2B Principles*; or
    - (ii) followed the *Rules consultation procedures* (as supplemented by clause 7.17.4); or
  - (2) the *Information Exchange Committee Recommendation* would conflict with the *Market Settlement and Transfer Solution Procedures*.
- (d) A *B2B Decision* made by *AEMO* in accordance with paragraph (b), must include reasons why, having regard to the *national electricity objective*, *AEMO* has decided to approve, or not to approve (as applicable), the *Information Exchange Committee Recommendation*.
- (e) A *B2B Decision* made by *AEMO* in accordance with paragraph (c), must include reasons explaining, to the extent applicable:
- (1) to which of the *B2B factors* and/or the *B2B Principles* *AEMO* considers the *Information Exchange Committee* failed to have regard;
  - (2) how the *Information Exchange Committee Recommendation* would give rise to a conflict with the *Market Settlement and Transfer Solution Procedures*; or
  - (3) how the *Information Exchange Committee* did not follow the *Rules consultation procedures* (as supplemented by clause 7.17.4).
- (f) *AEMO* must not amend the *Information Exchange Committee Recommendation* and must not conduct any further consultation on the *Information Exchange Committee Recommendation* prior to making its *B2B Decision*.
- (g) *AEMO* must *publish* and make available on its website its *B2B Decision*, with reasons as required by paragraph (d) or (e) (as applicable), within 10 *business days* of receiving an *Information Exchange Committee Recommendation* from the *Information Exchange Committee*.
- (h) If, in accordance with paragraph (b), *AEMO* makes a *B2B Decision* not to approve an *Information Exchange Committee*

*Recommendation* to not make a proposed *B2B Procedure* or proposed *change* to the *B2B Procedures*, then:

- (1) the *Information Exchange Committee* must remake the *Information Exchange Committee Recommendation* in accordance with paragraphs 7.17.4(i) – 7.17.4(r); and
- (2) *AEMO* must make a *B2B Decision* in accordance with this clause in respect of that remade *Information Exchange Committee Recommendation*; and
- (3) if:
  - (i) that remade *Information Exchange Committee Recommendation* is to not make a proposed *B2B Procedure* or proposed *change* to the *B2B Procedures*; and
  - (ii) that *B2B Decision* is not to approve the remade *Information Exchange Committee Recommendation*,

then, subject to review of the *B2B Decision* in accordance with rule 8.2, the *Information Exchange Committee* must make the proposed new *B2B Procedure*, or the proposed *change* the *B2B Procedures* (as applicable), with any adjustments or modifications specified by *AEMO* in the *B2B Decision*.

#### **7.17.6 Establishment of Information Exchange Committee**

- (a) *AEMO* must establish the *Information Exchange Committee* in accordance with the *Information Exchange Committee Election Procedures* and the *Rules*.
- (b) The *Information Exchange Committee*:
  - (1) must consist of:
    - (i) one *Distribution Network Service Provider Member*;
    - (ii) one *Retailer Member*;
    - (iii) one *Metering Member*;
    - (iv) one *Consumer Member*;
    - (v) one *AEMO Member*;
    - (vi) two *Independent Members*; and
    - (vii) if there is at least one person that is accredited by *AEMO* as a *Third Party B2B Participant* and that person nominates a representative for election, a *Third Party B2B Participant Member*; and
  - (2) may, in addition to the members specified in subparagraph (b)(1), include up to two *Discretionary Members*:
- (c) *AEMO* must maintain a register of *Members* which includes:
  - (1) the name of each current *Member*; and

- (2) in respect of each *Discretionary Member*, a description of the class or classes of persons that the *Discretionary Member* has been appointed by *AEMO* to represent under clause 7.17.10(d).
- (d) The *AEMO Member* is the chairperson of the *Information Exchange Committee*.
- (e) Each *Member* must serve on the *Information Exchange Committee* for the term specified in the *Information Exchange Committee Election Procedures* and must only be removed or replaced in accordance with the *Information Exchange Committee Election Procedures* and the *Rules*.
- (f) *B2B Parties* must ensure that the *Information Exchange Committee Election Procedures* include provisions in respect of:
  - (1) procedures for nominating *Members* and voting for *Members*;
  - (2) the term of a *Member*;
  - (3) procedures for the determination and publication of results of elections of a *Member*: and
  - (4) procedures for the removal or resignation of a *Member*.

#### **7.17.7 Functions and powers of Information Exchange Committee**

- (a) The functions and powers of the *Information Exchange Committee* include:
  - (1) developing, consulting on and making an *Information Exchange Committee Recommendation*;
  - (2) managing the ongoing development of the *B2B Procedures* and any *changes* to them;
  - (3) establishing the *Information Exchange Committee Working Groups*;
  - (4) developing, consulting on and approving the *Information Exchange Committee Works Programme*;
  - (5) reviewing and considering work completed by the *Information Exchange Committee Working Groups*;
  - (6) developing proposed amendments to the *Information Exchange Committee Election Procedures*; and
  - (7) developing proposed amendments to the *Information Exchange Committee Operating Manual*.
- (b) The *Information Exchange Committee* must prepare an *Information Exchange Committee Annual Report* by 31 December each year. The *Information Exchange Committee* must provide the *Information Exchange Committee Annual Report* to *AEMO* by the following 31 March and *AEMO* must *publish* that *Information Exchange Committee Annual Report*.

- (c) The *Information Exchange Committee Annual Report* must contain the information required by the *Information Exchange Committee Operating Manual*.
- (d) By 28 February each year the *Information Exchange Committee* must prepare a draft budget for the following *financial year* in a form which is consistent with the budget procedures of *AEMO*. Following discussion with *AEMO* the *Information Exchange Committee* must prepare a budget by 31 March and provide that budget to *AEMO*. When *AEMO publishes* its budget pursuant to clause 2.11.3, *AEMO* must advise the *Information Exchange Committee* of the final budget for the *Information Exchange Committee* for that *financial year*.
- (e) The *Information Exchange Committee* must provide to *AEMO* the current version of the *B2B Procedures* and the *Information Exchange Committee Works Programme*.
- (f) *AEMO* must *publish* the *B2B Procedures* and the *Information Exchange Committee Works Programme* provided to it by the *Information Exchange Committee*.

#### **7.17.8 Obligations of Members**

- (a) Each *Member* in performing his or her duties or in exercising any right, power or discretion as a *Member* must have regard to the *B2B factors* and *B2B Principles* and must:
  - (1) at all times act honestly;
  - (2) exercise the degree of care and diligence that a reasonable person in a like position would exercise;
  - (3) not make improper use of information acquired by virtue of his or her position to gain, directly or indirectly, an advantage for himself or herself, or the parties by which he or she is employed and/or which nominated him or her to be a *Member*;
  - (4) not make improper use of his or her position to gain, directly or indirectly, an advantage for himself or herself or the parties by which he or she is employed and/or which nominated him or her to be a *Member*; and
  - (5) not take part in any decision or determination of the *Information Exchange Committee* where the *Member* has, or would reasonably be considered to have, a material conflict of interest in the matter to be decided or determined by the *Information Exchange Committee*.
- (b) For the purposes of subparagraph (a)(5), a conflict will be material if it detracts, or would reasonably be considered to be likely to detract, from the *Member's* capacity to exercise independent judgment in respect of the relevant decision or determination
- (c) Notwithstanding subparagraph (a)(5) and paragraph (b), a *B2B Party* may take into account the interests of the persons it has been

appointed to represent in performing his or her duties or in exercising any right, power or discretion.

- (d) Notwithstanding subparagraph (a)(5) and paragraph (b), the *Consumer Member* may take into account the interests of *small customers*<sup>3</sup> in performing his or her duties or in exercising any right, power or discretion.
- (e) Notwithstanding subparagraph (a)(5) and paragraph (b), the *Discretionary Member* may take into account the interests of the persons the *Discretionary Member* was appointed by AEMO to represent in performing his or her duties or in exercising any right, power or discretion.
- (f) Notwithstanding subparagraph (a)(5) and paragraph (b), the *AEMO Member* may take into account the interests of AEMO in performing his or her duties or in exercising any right, power or discretion.

#### **7.17.9 Meetings of Information Exchange Committee**

- (a) The *Information Exchange Committee* must meet at least once every three months.
- (b) The quorum for a meeting of the *Information Exchange Committee* consists of :
  - (1) if there are less than nine *Members*, five *Members*; and
  - (2) if there are nine *Members* or more, six *Members*,and must include the *AEMO Member*.
- (c) A decision of the *Information Exchange Committee* is not valid and enforceable unless, in respect of:
  - (1) an *Information Exchange Committee Recommendation*, it has the support of a *super majority*;
  - (2) any decision that a proposal under clause 7.17.4(f) should not be considered further after initial consideration under clause 7.17.4(g), and any decision not to recommend a *change* to the *B2B Procedures* for approval by AEMO, it has the support of a *super majority*;
  - (3) any decision to approve the *Information Exchange Committee Works Programme*, it has the support of a *super majority*; and
  - (4) any other decision by the *Information Exchange Committee*, it has the support of an *ordinary majority*.

#### **7.17.10 Nomination, election and appointment of Members**

- (a) A person may only be nominated and elected as a *Member* in accordance with the *Information Exchange Committee Election*

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<sup>3</sup> “small customer” is defined in the Draft National Electricity Amendment (Expanding competition in metering and related services) Rule 2015.

*Procedures* and the *Rules* including, without limitation, this clause 7.17.10 and clause 7.17.11.

- (b) *AEMO* must appoint a *Consumer Member* and prior to making such appointment, *AEMO* must consult with ECA<sup>4</sup> and may consult with any other person or persons determined by *AEMO*.
- (c) *AEMO* must appoint an *AEMO Member* and the *AEMO Member* must be a director of *AEMO*.
- (d) *AEMO* may appoint up to two *Discretionary Members* to represent a class or classes of persons who, in *AEMO*'s reasonable opinion, have an interest in the *B2B Procedures* and those interests are not adequately represented on the *Information Exchange Committee*. Prior to making any such appointment, *AEMO* must consult with each *Independent Member* and may consult with such other person or persons determined by *AEMO*.
- (e) *B2B Parties* must nominate and elect *Independent Members*.
- (f) *Distribution Network Service Providers* must nominate and elect a *Distribution Network Service Provider Member*.
- (g) *Retailer Member Voters* must nominate and elect a *Retailer Member*.
- (h) *Metering Member Voters* must nominate and elect a *Metering Member*.
- (i) *Third Party B2B Participants* must nominate and elect a *Third Party B2B Participant*.
- (j) Any person who is:
  - (1) both a *retailer* and a *Local Retailer*, may nominate and vote only once in respect of the appointment of a *Retailer Member* or an *Independent Member* (as the case may be); and
  - (2) is registered with *AEMO* in two or more of the categories of *Metering Coordinator*, *Metering Provider* and *Metering Data Provider*, may nominate and vote only once in respect of the appointment of a *Metering Member* or the *Independent Member* (as the case may be).
- (k) If two or more persons are *related bodies corporate* and belong to the same *Voter Category* (**related voters**) then only one of the related voters may nominate and vote in respect of an election for a *Distribution Network Service Provider Member*, a *Retailer Member*, *Metering Member*, *Independent Member* or *Third Party B2B Participant Member*, as the case may be.

### 7.17.11 Qualifications of Members

- (a) In this clause, being **Independent** of another person means:
  - (1) not currently being an employee or director of that person;

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<sup>4</sup> "ECA" is defined in the National Electricity Law and means Energy Consumers Australia Limited.

(2) not being:

- (i) an employee of, or a partner in, any partnership; or
- (ii) an employee of, or a director of, any company,

which partnership or company is an adviser or consultant to that person, where such relationship is a significant source of income for that partnership or company; or

(3) not being an adviser or consultant to that person, where such relationship is a significant source of income for that adviser or consultant.

(b) Each *B2B Party* must ensure that a person they nominate as a *Member* satisfies the requirements for that particular category of *Member* as set out in the *Information Exchange Committee Election Procedures* and the *Rules*.

(c) A *B2B Party* must ensure that a person they nominate as a *Member*:

(1) has knowledge of and experience in the *National Electricity Market*;

(2) has experience with and skills in considering issues that affect:

(i) in relation to *Members* voted by a particular *Voter Category*, the relevant *Voter Category*; and

(ii) in relation to *Independent Members*, one or more classes of *B2B Parties*;

(3) has knowledge of the subject matter of *B2B Procedures*;

(4) has knowledge and understanding of the *Rules* and the related legislative and regulatory framework; and

(5) in the case of an *Independent Member*, is Independent of all *B2B Parties*.

(d) *AEMO* must ensure that an appointee for a *Discretionary Member* or the *Consumer Member*:

(1) has knowledge of and experience with the *National Electricity Market*;

(2) has experience with and skills in considering issues that affect:

(i) in respect of a *Discretionary Member*, the class or classes of persons whom the *Discretionary Member* represents (as specified in the register kept pursuant to clause 7.17.6(c)); and

(ii) in respect of the *Consumer Member*, *small customers*;

(3) has knowledge of the subject matter of *B2B Procedures*;

(4) has knowledge and understanding of the *Rules* and the related legislative and regulatory framework; and

(5) in the case of the *Discretionary Member*, is Independent of *AEMO*.

### **7.17.12 Information Exchange Committee Election Procedures and Information Exchange Committee Operating Manual**

- (a) The *Information Exchange Committee*, *AEMO* and *B2B Parties* must comply with the *Information Exchange Committee Election Procedures* and the *Information Exchange Committee Operating Manual*.
- (b) *B2B Parties* and *AEMO* are not obliged to comply with an amendment to the *Information Exchange Committee Election Procedures* unless that amendment is made in accordance with this clause.
- (c) The *Information Exchange Committee Election Procedures* may only be amended in accordance with the procedure set out in the *Information Exchange Committee Election Procedures* and with the support of not less than 75% of voters in each of at least three of the *Voter Categories* for the following *Members*:
  - (i) *Distribution Network Service Provider Member*;
  - (ii) *Retailer Member*;
  - (iii) *Metering Member*; and
  - (iv) *Third Party B2B Participant Member*.
- (d) *AEMO* must *publish* the current version of the *Information Exchange Committee Election Procedures*.
- (e) *B2B Parties* and *AEMO* are not obliged to comply with an amendment to the *Information Exchange Committee Operating Manual* unless that amendment is made in accordance with this clause.
- (f) The *Information Exchange Committee Operating Manual* may only be amended in accordance with the procedure set out in the *Information Exchange Committee Election Procedures* and with the support of not less than 75% of voters in each of at least three of the *Voter Categories* for the following *Members*:
  - (i) *Distribution Network Service Provider Member*;
  - (ii) *Retail Member*;
  - (iii) *Metering Member*; and
  - (iv) *Third Party B2B Participant Member*.
- (g) *AEMO* must *publish* the current version of the *Information Exchange Committee Operating Manual*.

### **7.17.13 Cost Recovery**

- (a) The *B2B costs* must be paid by *AEMO* in the first instance and recouped by *AEMO* as *Participant fees*.
- (b) Subject to paragraph (a), the costs of any *Member* (other than an *Independent Member* or a *Discretionary Member*) relating to their participation in the *Information Exchange Committee* and the costs of individuals relating to their participation in the *Information Exchange Committee Working Groups* is not to be borne by *AEMO*.

- (c) The cost to a person of implementing and maintaining the necessary systems and processes to ensure compliance with *B2B Procedures* must be met by that person.

**[2] Rule 2.11 Participant fees**

In rule 2.11, before clause 2.11.1 insert the following new clause:

**2.11.1A Application**

For the purposes of rule 2.11 only, "*Registered Participant*" is deemed to include not just *Registered Participants* but also *Third Party B2B Participants*.

**[3] Clause 2.11.3 Budgeted revenue requirements**

In clause, insert a new clause 2.11.3(b)(7A) as follows:

(7A) *AEMO's* expenditure in relation to *B2B costs*;

**[4] Clause 8.2.8 Costs of dispute resolution**

In clause 8.2.8(a), insert "(in each case, as modified by clause 8.2A.2)" after "8.6.2D".

**[5] Clause 8.2A.2 How Rule 8.2 applies**

Omit clause 8.2A.2(b) and substitute:

- “(b) In clause 8.2.1(a1):
- (i) delete “*Connection Applicants*,”; and
  - (ii) omit “and *NMAS providers* (including *NSCAS preferred tenderers*)” and substitute “and *Third Party B2B Participants*”.

**[6] Clause 8.2A.2 How Rule 8.2 applies**

In clause 8.2A.2(c) omit “*B2B Objective*” and substitute “*national electricity objective*”.

**[7] Clause 8.2A.2 How Rule 8.2 applies**

Omit clause 8.2A.2(d)(i) and substitute:

- (i) set out in clauses 8.2.5 to 8.2.10 and 8.2.12 (in each case, as those clauses are amended by clause 8.2A.2); and

**[8] Clause 8.2A.2 How Rule 8.2 applies**

In clause 8.2A.2(i), omit the paragraph starting “(d1) *A Market Customer*...” and substitute:

- “(d1) A *B2B Party* adversely affected by a *B2B Decision* may apply to the *Adviser* for review of that *B2B Decision*. The application must be made within 10 *business days* of *publication* of the *B2B Decision*, state grounds for the review and give full particulars of where the applicant believes the *B2B Decision* is in error.

**[9] Clause 8.2A.2 How Rule 8.2 applies**

In clause 8.2A.2, omit clause 8.2A.2(v).

**[10] Clause 8.6.1A Application**

Omit clause 8.6.1A and substitute:

**8.6.1A Application**

For the purposes of this Part C only, "*Registered Participant*" is deemed to include not just *Registered Participants* but also *Metering Providers*, *Metering Data Providers* and *Third Party B2B Participants*.

**[11] New Chapter 10 definitions**

Insert the following new definitions in Chapter 10:

***AEMO Member***

A person appointed as a *Member* by *AEMO* to represent *AEMO* in accordance with clause 7.17.10(c).

***B2B costs***

The following costs incurred by *AEMO*:

- (a) the costs of the development of the *B2B Procedures*;
- (b) the costs of the establishment and operation of the *Information Exchange Committee* (including the engagement costs of specialist advisers, and the remuneration and payment of the reasonable expenses of the *Independent Members* and *Discretionary Members*), all of which must be set out in the budget prepared by the *Information Exchange Committee* pursuant to clause 7.17.7(d) and the *Information Exchange Committee Annual Report*; and
- (c) the operational costs associated with any service provided by *AEMO* to facilitate *B2B Communications* (including providing, maintaining, upgrading and operating a *B2B e-Hub*).

***B2B e-Hub Participant***

A person who has been accredited by *AEMO* as a *B2B e-Hub Participant* under clause 7.17.2.

***B2B factors***

The following factors:

- (a) The reasonable costs of compliance by *AEMO* and *B2B Parties* with the *B2B Procedures* compared with the likely benefits from *B2B Communications*;
- (f) The likely impacts on innovation in and barriers to entry to the markets services facilitated by advanced meters resulting from making the new *B2B Procedure* or changing the existing *B2B Procedures*;
- (g) The implementation timeframe reasonably necessary for *AEMO* and *B2B Parties* to implement systems or other changes required to be compliant with any new *B2B Procedure* or change to existing *B2B Procedures*.

***B2B Party***

*Distribution Network Service Providers, retailers, Local Retailers, Metering Coordinators, Metering Providers, Metering Data Providers and Third Party B2B Participants.*

***Consumer Member***

A person appointed by *AEMO* as a *Member* to represent *small customers* in accordance with clause 7.17.10(b).

***Discretionary Member***

A person appointed as a *Member* by *AEMO* to represent a class or classes of persons who have an interest in the *B2B Procedures* in accordance with clause 7.17.10(d).

***Distribution Network Service Provider Member***

A person nominated and elected as a *Member* by *Distribution Network Service Providers* to represent *Distribution Network Service Providers* in accordance with the *Rules* (including clause 7.17.10(f)) and *Information Exchange Committee Election Procedures*.

***Metering Member***

A person nominated and elected as a *Member* by *Metering Member Voters* to represent *Metering Member Voters* in accordance with the *Rules* (including clause 7.17.10(h)) and *Information Exchange Committee Election Procedures*.

***Metering Member Voters***

*Metering Coordinators, Metering Providers and Metering Data Providers.*

***ordinary majority***

60% of the number of *Members* (rounded up to the next whole number).

***Retailer Member***

A person nominated and elected as a *Member* by *Retailer Member Voters* to represent *Retailer Member Voters* in accordance with the *Rules* (including clause 7.17.10(g)) and *Information Exchange Committee Election Procedures*.

***Retailer Member Voters***

*Retailers* and *Local Retailers*.

***super majority***

70% of the number of *Members* (rounded up to the next whole number).

***Third Party B2B Participant***

A *B2B e-Hub Participant* who is not also a *Distribution Network Service Provider*, *retailer*, *Local Retailer*, *Metering Coordinator*, *Metering Provider* or *Metering Data Provider*.

***Third Party B2B Participant Member***

A person who is nominated and elected as a *Member* by *Third Party B2B Participants* to represent *Third Party B2B Participants* in accordance with the *Rules* (including clause 7.17.10(i)) and the *Information Exchange Committee Election Procedures*.

***Voter Category*** means:

- (a) in respect of the *Distribution Network Service Provider Member*, *Distribution Network Service Providers*;
- (b) in respect of the *Retailer Member*, *Retailer Member Voters*, collectively;
- (c) respect of the *Metering Member*, *Metering Member Voters*, collectively;
- (d) in respect of *Third Party B2B Participant Member*, *Third Party B2B Participants*; and
- (e) in respect of an *Independent Member*, *Distribution Network Service Providers*, *Retailer Member Voters*, *Metering Member Voters* and *Third Party B2B Participants*, collectively.

**[12] Substituted Chapter 10 definitions**

In Chapter 10, substitute the following definitions:

***B2B Communications***

Communications between *B2B Parties* relating to an end-user or *supply* to an end-user provided for in the *B2B Procedures*.

### ***B2B Principles***

The following Principles:

- (a) *B2B Procedures* should provide a uniform approach to *B2B Communications* in *participating jurisdictions*;
- (b) *B2B Procedures* should detail operational and procedural matters and technical requirements that result in efficient, effective and reliable *B2B Communications*;
- (c) *B2B Procedures* should avoid unreasonable discrimination between *B2B Parties*; and
- (d) *B2B Procedures* should protect the confidentiality of commercially sensitive information.

### ***B2B Procedures***

The B2B Procedures made under Part H with the content required under clause 7.17.3.

### ***B2B Procedures Change Pack***

A document consisting of:

- (a) a *B2B Proposal*;
- (b) a report setting out an overview of the likely impact of the *B2B Proposal* on *AEMO* and any *B2B Party*;
- (c) draft *B2B Procedures* (incorporating proposed changes in mark up, where appropriate); and
- (d) an issues paper explaining why the *B2B Proposal* is being presented, including an assessment of the *B2B Proposal* against the *B2B factors* and *B2B Principles*.

### ***Independent Member***

A person nominated and elected as a *Member* by *B2B Parties*, collectively, in accordance with the *Rules* (including clause 7.17.10(i)) and the *Information Exchange Committee Election Procedures*.

### ***Information Exchange Committee***

The committee established under clause 7.17.6(a).

### ***Information Exchange Committee Recommendation***

A recommendation made by the *Information Exchange Committee* to *AEMO* under rule 7.17.4:

- (1) to not make the proposed *B2B Procedures* or to not *change* the *B2B Procedures*; or
- (2) to make *B2B Procedures* or to *change* the *B2B Procedures*.

***Member***

A person appointed or nominated and elected to the *Information Exchange Committee* pursuant to the *Information Exchange Committee Election Procedures and/or Rules*, and includes all membership categories, unless a contrary intention appears.

***Registered Participant***

A person who is registered by *AEMO* in any one or more of the categories listed in rules 2.2 to 2.7 (in the case of a person who is registered by *AEMO* as a *Trader*, such a person is only a *Registered Participant* for the purposes referred to in rule 2.5A). However:

- (a1) as set out in rule 2.11.1A, for the purposes of rule 2.11 only, *Third Party B2B Participants* are also deemed to be *Registered Participants*;
- (a) as set out in clause 8.2.1(a1), for the purposes of some provisions of rule 8.2 only, *AEMO*, *Connection Applicants*, *Metering Providers* and *Metering Data Providers* who are not otherwise *Registered Participants* are also deemed to be *Registered Participants*; and
- (b) as set out in clause 8.6.1A, for the purposes of Part C of Chapter 8 only, *Metering Providers*, *Metering Data Providers* and *Third Party B2B Participants* who are not otherwise *Registered Participants* are also deemed to be *Registered Participants*.

**[13] Omitted Chapter 10 definitions**

In Chapter 10, omit the definitions of “*B2B Objective*” and “*Local Retailer/Market Customer Member*”.