



825 Ann Street, Fortitude Valley QLD 4006
PO Box 264, Fortitude Valley QLD 4006

ergon.com.au

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

Dear Mr Pierce

ERC0169 – IMPLEMENTATION PLAN FOR METERING REFORMS

Ergon Energy Corporation Limited (Ergon Energy), in its capacity as a Distribution Network Service Provider in Queensland, welcomes the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on its *Implementation Plan for Metering Reforms* (Implementation Plan), in consultation with ongoing reforms being undertaken by the Australian Energy Market Operator (AEMO) and the Australian Energy Regulator (AER).

Ergon Energy is a member of the Energy Networks Association (ENA), the peak national body for Australia's energy networks. The ENA, in collaboration with Ergon Energy and other distribution businesses, has prepared a comprehensive submission addressing the Implementation Plan. Ergon Energy is supportive of the arguments contained in their submission.

In particular, Ergon Energy welcomes the AEMC's aim to identify and coordinate the processes and interactions relating to the implementation of recommendations from the Power of Choice (PoC) review, and associated reforms being implemented by AEMO and the AER. Ergon Energy appreciates the extent of the reform package and notes that metering changes are at the heart of this reform. It is noted that the resultant changes to the regulatory framework, and in particular the National Electricity Rules (Rules), will be extensive. Given the likely impact on businesses, it would be prudent to seek the most efficient outcome to ensure cost-effective solutions for customers. Notwithstanding this, the prominence of these changes requires adequate consultation and consideration. Ergon Energy supports the ENA's assertion that the implementation timeline does not incorporate enough time and workshops to deliver quality Rules drafting for the Metering Contestability Final Determination. Furthermore, Ergon Energy supports the ENA's call for

a further consultation period to consider the detail of the drafting of the changes to Chapter 7 of the Rules.

Ergon Energy also supports the ENA suggestion that more time is allowed for the AEMC to review all submissions in response to the draft determination. Resourcing constraints typically experienced by businesses over the Christmas period suggests that an extended consultation period will be required during the 2015-16 Christmas period for the shared market protocol consultation. On this basis, the Implementation Plan will require considerable extension to accommodate the suggested revised timeframes.

There are also a number of non-PoC reforms currently underway in various jurisdictions. Notably, in Queensland this includes the introduction of the National Energy Customer Framework (NECF). Ergon Energy is currently undertaking significant system changes to accommodate the introduction of NECF on 1 July 2015. As Ergon Energy is likely to experience some teething problems at this time, the required changes to business systems and processes arising from the metering reform package is likely to be impacted.

Given the enormity of the changes required, and in an effort to accommodate certainty into the build process, Ergon Energy suggests that it is prudent to wait until final determinations are made on the applicable rule changes before commencing development of any new systems or processes. Ergon Energy suggests that a period of 12 to 18 months would typically be required to develop and implement new systems, following a final determination.

Furthermore, Ergon Energy anticipates that significant changes to the Market Settlement and Transfer Solutions (MSATS) and Business to Business (B2B) processes will occur in the May or November 2016 build period. Therefore, Ergon Energy suggests extending the build period for any required changes to these systems to 2017 would be a sensible approach.

Should you require any additional information or wish to discuss any aspect of this submission, please do not hesitate to contact either myself on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours sincerely



Jenny Doyle
Group Manager Regulatory Affairs

Telephone: (07) 3851 6416
Email: jenny.doyle@ergon.com.au