



Expanding competition in metering and related services

AEMC invites submissions on SCER rule change request

The AEMC has commenced consultation on proposed changes to the current arrangements for the provision of metering and related services in the National Electricity Market.

SCER's rule change request

The Standing Council on Energy and Resources (SCER) has submitted a rule change request seeking to establish arrangements that would promote competition in the provision of metering and related services in the National Electricity Market (NEM). The objectives of the proposed arrangements are to support the uptake of energy products and services that promote consumer participation and choice, and allow the benefits of demand side participation to be captured across the electricity supply chain.

The rule change request is largely based on the recommendations made by the AEMC in the Power of Choice review. The request forms part of SCER's broader energy market agenda to support investment and market outcomes in the long term interests of consumers.

Issues for consultation

SCER considers that the current regulatory arrangements are inhibiting commercial investment in metering technologies that support the uptake of demand side participation products and services. SCER has proposed changes to the National Electricity Rules, and National Energy Retail Rules where necessary, to implement arrangements that would support a competitive market for the provision of metering and related services.

A consultation paper has been prepared to facilitate stakeholder comment on the issues raised by the proposed changes, in particular:

- the creation of the Metering Coordinator role – SCER proposes to separate the responsibility for providing metering services from the role of the retailer and the local distribution business so that any accredited party, called the Metering Coordinator, can provide these services;
- the roles and relationships between consumers, retailers, distribution network businesses and other parties involved in the provision of metering and related services;
- the network regulation arrangements needed to support the proposed framework, including unbundling of metering charges and clearly defined exit fees;
- the proposed minimum functionality specification for smart meters;
- jurisdictional policies, including for new and replacement meters; and
- transitional and implementation arrangements, including for Victoria where smart meters are already in place.

Submissions on the consultation paper close on 29 May 2014. The AEMC has extended the usual four-week time frame for submissions to six weeks, given that the Easter and ANZAC day holidays fall within the consultation period. The AEMC will hold a series of stakeholder workshops during the next stage of the rule change process to discuss these issues in more detail.

The AEMC invites stakeholders to consider and comment on the issues raised by the rule change request.

Submissions close 29 May 2014.

The rule change process

The rule change request deals with a large scope of issues and interlinks with a number of projects being carried out by the AEMC and other parties. Work is underway to ensure that the interactions between all projects are considered and the implementation of their outcomes is coordinated.

As such the AEMC has extended the usual timeframe for considering this rule change request in order to adequately consider and consult with stakeholders on all relevant issues. The proposed timeline for the rule change process is as follows:

Milestone	Planned date
Publication of the consultation paper	17 Apr 2014
Close of submissions on the consultation paper	29 May 2014
Stakeholder consultation – workshops and roundtables	June-Sep 2014
Publication of the draft rule and draft determination	18 Dec 2014
Public forum	Late Jan 2015
Close of submissions on the draft rule and draft determination	Feb 2015
Publication of the final rule and final determination	Apr 2015

Continuing reform agenda

The rule change request forms part of a broad package of reforms recommended in the Power of Choice review, and other related reforms. These reforms are being implemented by the AEMC through rule changes and supporting reviews, and by SCER officials.

The package of reforms is designed to provide consumers with opportunities to make more informed decisions about how they use electricity, and establish the market conditions and incentives required for electricity businesses to maximise the potential of efficient demand side participation. See the AEMC website for further information on Power of Choice.

AEMC rule changes	Status
Distribution network pricing arrangements	Final determination expected Nov 2014.
Connecting embedded generators	Final determination published 17 Apr 2014.
Customer access to information about their energy consumption	Consultation paper expected May 2014.
AEMO obtaining better demand side participation information	Request received. Expect to commence consultation in mid- 2014.
Reform of demand management embedded generation incentive scheme	Request received. Expect to commence consultation in mid- 2014.
AEMC reviews	Status
Electricity customer switching	Final report published 10 Apr 2014.
Framework for open access and common communication standards for smart meters	Final report published 10 Apr 2014.
SCER work	Status
Demand response mechanism – option for demand side resources to participate in the wholesale electricity market	Ongoing consideration of proposal by SCER, including cost benefit analysis.
Regulation of third party energy service providers	Ongoing work by SCER.
Implementation of recommendations made in the <i>National smart meter consumer protection and safety review</i>	Implementation by SCER through demand side participation reform agenda.

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