

Competition in metering and related services – rule change

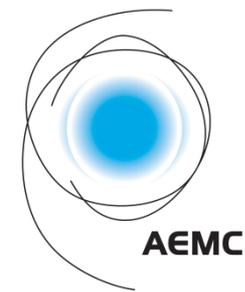
Stakeholder workshop 1: Independent Metering Coordinator and gate keeper role (open access advice)



Thursday 26 June 2014
AUSTRALIAN ENERGY MARKET COMMISSION

Workshop outline

- Welcome and introductions
- Recap:
 - Objective and key areas for the rule change.
 - General stakeholder submission views.
- Discussion of independent Metering Coordinator
- Discussion of proposed gate keeper role (open access advice)



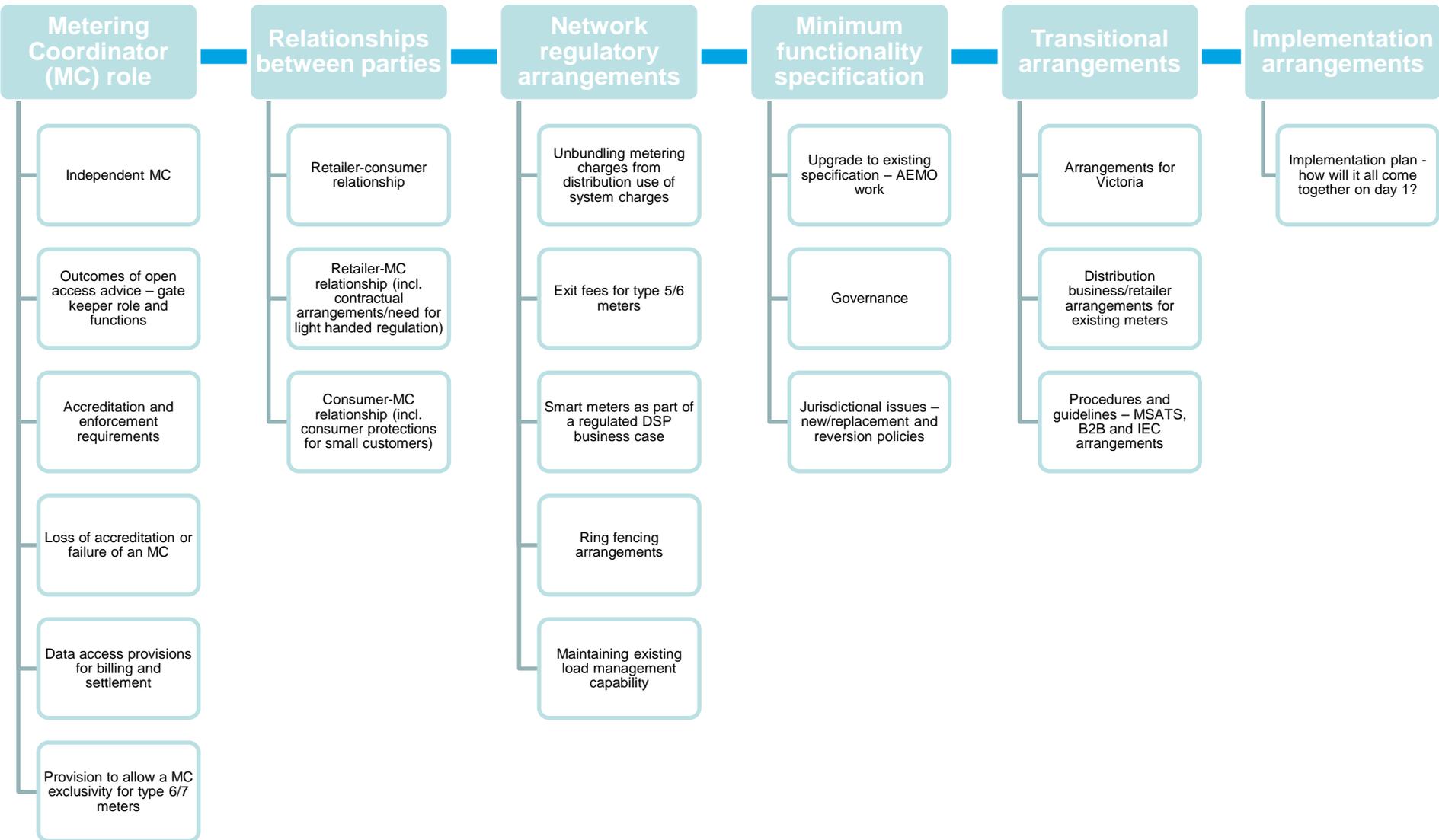
Recap



Objective of the rule change

- Rule change from COAG Energy Council (formally Standing Council on Energy and Resources)
- Proposes new arrangements in the National Electricity Rules and National Energy Retail Rules to promote competition in provision of metering and related services in the NEM.
- The overarching objective:
 - support the uptake of efficient demand side participation (DSP) products and energy services that promote consumer participation and choice; and
 - allow for the benefits of DSP to be captured across the supply chain.
- Forms part of the broader *Power of Choice* reforms.

Core elements of the rule change



Stakeholder views

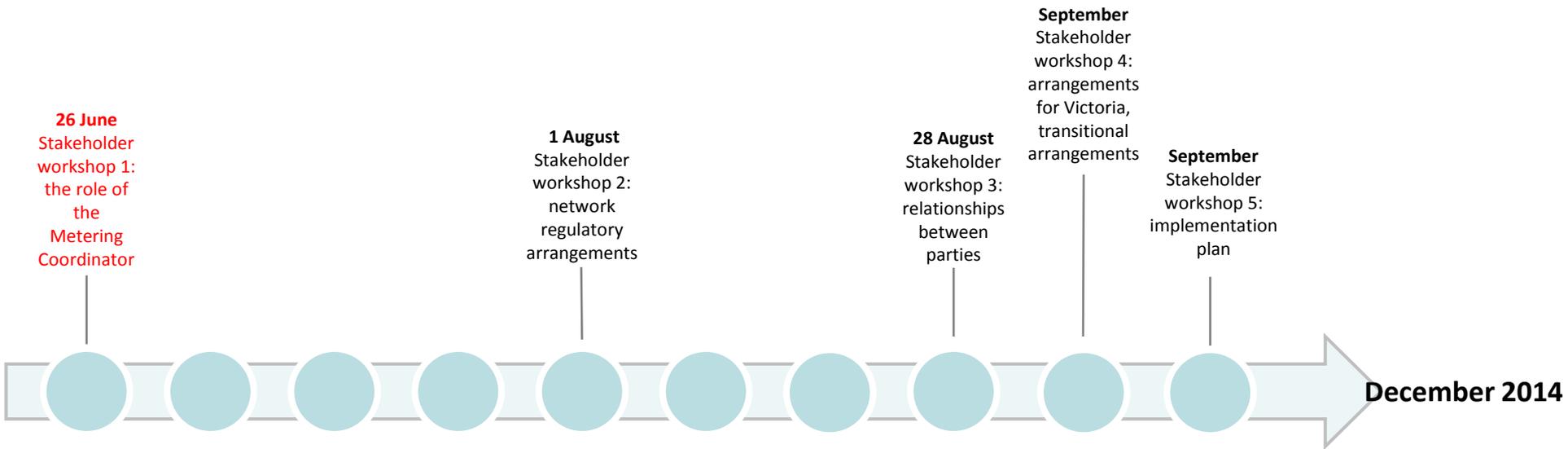
- 32 submissions received.
- Stakeholders are generally supportive of changes to increase competition in the provision of metering and related services, however.....
 - differing views on the model needed to achieve this.
- Main issues raised by stakeholders:
 - Assessment framework.
 - Provision of an independent Metering Coordinator role.
 - Relationships between parties, in particular:
 - Retailer-Metering Coordinator relationship (including access to energy services enabled by the functionality of smart meters).
 - Consumer-Metering Coordinator relationship.

Stakeholder views (2)

- Network regulatory arrangements, in particular:
 - Exit fees for existing regulated meters (recovery of stranded assets).
 - Ability for DNSPs to deploy smart meters as part of a targeted DSP business case.

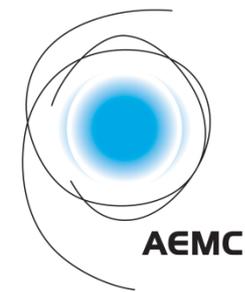
- Minimum functionality specification, in particular:
 - Jurisdictional new and replacement policies.

Timeline



Other key dates:

- Public forum (on draft determination and rule) – late Jan 2015
- Close of submissions to draft – Feb 2015
- Publication of final rule and determination – Apr 2015



Independent Metering Coordinator



Proposal for independent Metering Coordinator

Market Participant
(ie retailer)

Market Participant must ensure that a connection point has a metering installation and it is registered with AEMO.

Market Participant appoints a Metering Coordinator on consumer's behalf - *unless* the consumer chooses to directly engage its own Metering Coordinator.

Metering Coordinator

Change who can take on the Responsible Person/Metering Coordinator role—ie any party that is accredited and registered with AEMO. The term Responsible Person renamed to Metering Coordinator. Additional responsibilities may be added to the role, eg gate keeper obligations.

MC appoints the Metering Provider.

MC appoints the Metering Data Provider.

For discussion – bundling of MC with MP

Should the Metering Coordinator be a separate party to the Metering Provider role?

➤ Metering Coordinator:

- Maintain liability for metrology services (ie integrity and data accuracy).
- Engage parties to perform metering services.
- Related to business management function (ie contract/risk management).

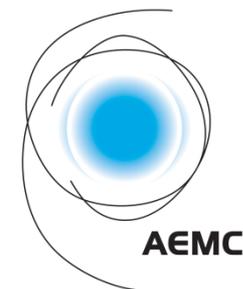
➤ Metering Provider:

- Carries out the installation/maintenance services as required under the NER, metrology/service level procedures.
- Functions related to technical management/knowledge.

Note: current principle applied for basic metrology – interface between the metering installation (installs the meter) and metering data services (collects the data from the meter).

For discussion – accreditation/registration obligations

- If there is independent Metering Coordinator.....
- Should the MC role be a Registered Participant under the NER, or is accreditation sufficient?
 - Are general Registered Participant's obligations relevant to a Metering Coordinator?
 - Could these obligations be captured by accreditation?
- The framework will need to define registration or accreditation requirements
 - Civil penalties, dispute resolution, confidentiality.
 - Can the current obligations on a Responsible Person be used as a basis?



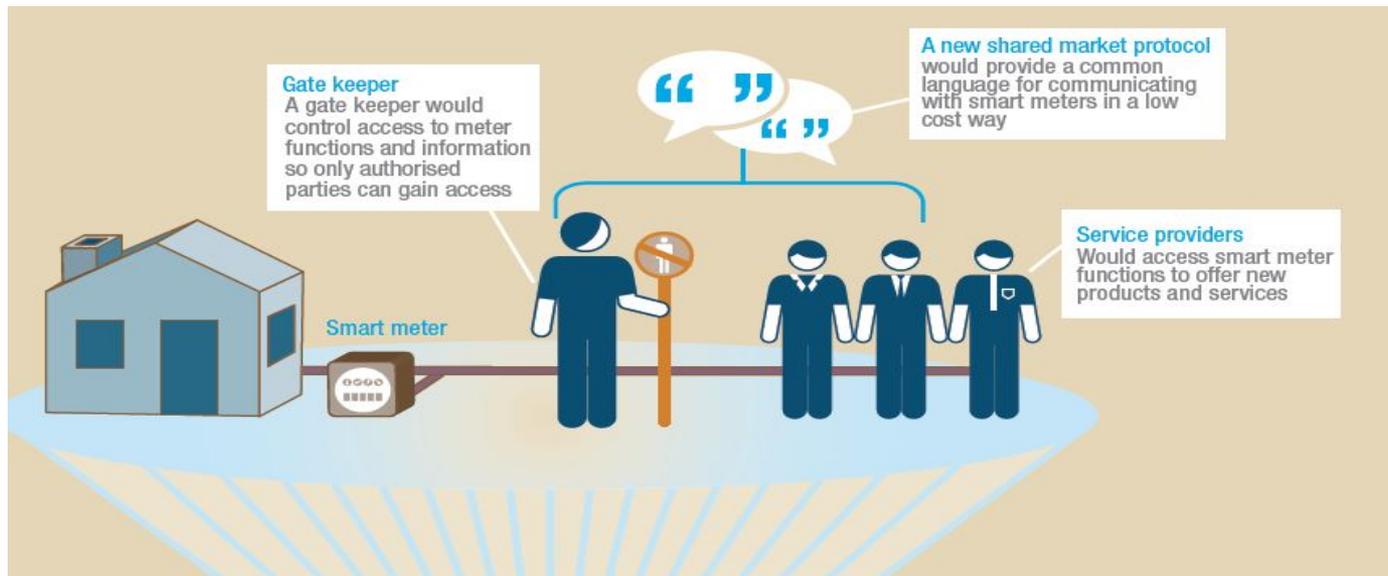
Gate keeper role

- energy services enabled by smart meter functionality



Proposal for gate keeper

- AEMC open access advice proposed that the gate keeper would be responsible for managing:
 - Access
 - Congestion
 - Security.....to meter functions and information (as related to energy services enabled by smart meters).



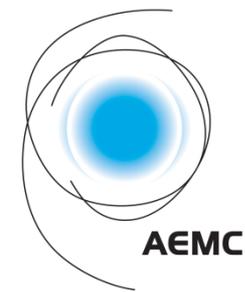
Issues for consideration – functions and obligations

Responsibilities	Issues for consideration
Access	<ul style="list-style-type: none"> ➤ Rights and restrictions to services (including real time and other information data)
	<ul style="list-style-type: none"> ➤ Authorisations/licensing of parties
	<ul style="list-style-type: none"> ➤ Validation of messages sent
	<ul style="list-style-type: none"> ➤ Services which require restricted access (eg supply capacity control - smart meter consumer protections proposed rules)
Congestion	<ul style="list-style-type: none"> ➤ Priority access arrangements (emergencies/network security etc)
	<ul style="list-style-type: none"> ➤ Regulatory and commercial arrangements
Security and service level procedures	<ul style="list-style-type: none"> ➤ System and network security ➤ Consumer information/data (links to access)
Accreditations	<ul style="list-style-type: none"> ➤ Compliance obligations – accreditations/technical capability

Issues for consideration – bundling gate keeper role with MC or MP?

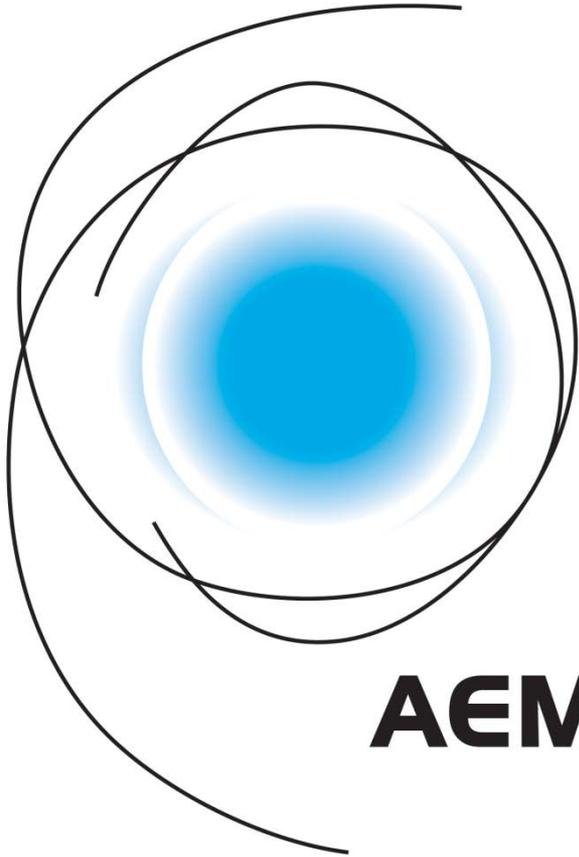
How could the gate keeper obligations and functions be aligned within existing roles?

- Currently, the Responsible Person has obligations to ensure access, congestion (of energy data) and security is managed at a meter. The Metering Provider performs the services.
- Open access proposed a similar arrangement, the:
 - Gate keeper ensure access to meter functions and information so only authorised parties gain access.
 - Metering Provider would actually perform the functions. Hence..
 - one party is liable (accountable to AEMO on behalf of the NEM) for any access issues, but engages the MP to perform gateway functions.
- For provision of advanced and future new services, is it appropriate that the liability is separate from who actually carries out the required functions?



Next steps





AEMC