

Australian Energy Market Commission
PO Box A2449
Sydney South
New South Wales 1235
Australia

22nd September 2015

Dear Sirs

Reference: ERC0169

Draft Rule Determination - National Electricity Amendment (Expanding Competition in Metering and Related Services) Rule 2015 and National Energy Retail Amendment (Expanding Competition in Metering and Related Services) Rule 2015 – Additional Consultation on Specific Issues

Calvin Capital is one of the leading Meter Asset Providers for both traditional and smart metering in the United Kingdom. We have valuable expertise in asset sourcing, provision, and asset financing alongside extensive experience of setting up and operating the commercial operations to support these activities.

The proposed rule change to expand competition in metering and related services has been made to promote competition in the National Electricity Market (NEM). Calvin has extensive experience implementing processes and procedures that are needed to support the unbundling of the metering market in the UK and has worked closely with the UK industry to implement the changes required, not only in financing and asset provision, but in IT infrastructure, governance and regulation. We believe some of the lessons learned in the UK may be applicable to the unbundling of the Australian metering market with a particular focus on Meter Asset Ownership.

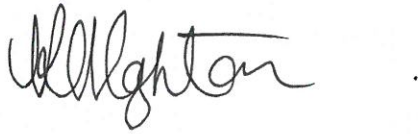
In the draft determination the Asset Owner/Funder can be anyone from the Retailer, Distribution Business to an independent 3rd Party funder. This role can be bundled with the MP or provided for independently via an Asset Owner. From our experience the Asset Owner would always have a relationship with the Installing Retailer and would expect to recover any asset rental from the Installing Retailer or Churn Retailer. We would not expect to recover this cost via a Meter Coordinator for reasons such as credit risk.

Asset tracking of the NMI on churn is vital to the recovery of Asset Rental on Retailer Churn or notification of Meter Churn. The Retailer and Distribution Network will have access to the AEMO systems to ascertain the identity of the New Retailer on Churn. It is vital to create a level playing field and allow for competition with these entities so that 3rd party Asset Owners should be able to access basic information such as NMI number, Retailer ID, Meter Coordinator ID and Date of Churn so that they can also maintain the revenue streams on churn. Of course any arrangements with the Churn Retailers are commercial but 3rd Party Asset Owners must be allowed access to information to identify with whom those arrangements must be made.

In our responses below we focus on the issues we see from an Asset Owner perspective and we appreciate that some of our responses may be new and not widely recognized in the Market at the moment as large scale commercial asset ownership has not been available as an option before and the current rules for churn and asset tracking are only catered for where the Distribution Network or MP are the asset owners.

If you have any questions or would like to discuss any aspect of our submission please contact Kay Houghton on +44 161 220 1906 or +44 77486 74126.

Yours sincerely

A handwritten signature in black ink, appearing to read 'KHoughton', followed by a period.

Kay Houghton
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Calvin Capital Responses

2. Arrangements for accessing energy and metering data.

In general as Asset Owners we support this rule and the amendments proposed. However, although Asset Owners require no access to energy or data produced from the meter they do need to know who is operating the meter (i.e the MP or MC) and who the responsible Retailer is where they are not the appointed MP.

When a meter is installed there will be an MC, MP and MDP appointed by the Installing Retailer. On customer churn potentially the Retailer, MC, MP and MDP can change but the Meter should remain 'in situ'. Therefore, an increasing portfolio will be maintained and serviced by parties that were not appointed on installation. It is therefore our proposal that there is some form of central registration of the Asset Owner identity when the Meter is installed on AEMO systems.

Keeping metering assets in situ and the ability to recover rental from those assets is a key principle for the commercial market model. That means the avoidance of metering replacement on the change of retailer which, in turn, makes it essential that data on the ownership of the meter is fully aligned across the industry. If this does not happen then the risk of ownership increases which in turn can increase the cost of providing the meters.

As the industry embarks on the smart meter programme and acceleration of meter exchanges increases it is more critical that the Asset Owner is allowed access to data which will allow it to commercially interact with the Retailer or MC associated with that meter.

The Asset Owner would therefore be capable of receiving (and or paying for) information to allow for Churn Contracts to be set up and allow for simple asset tracking on churn; facilitating the associated recovery of rental from the incumbent Retailer or the notification of any asset removal and the return of that asset to the owner to enable warranty recovery or other processes to take place.

3. Supply interruptions for the purpose of installing or maintaining a meter.

N/A

4. Customer consent for provision of network-related services.

N/A

5. Network Devices

We support the changes made to clearly set the precedence of the metering asset.

One area that is mentioned is for the AEMO to develop procedures for the MC to consider in managing the removal of a network device, including the return of the device to the DMSP. As Asset Owners we would like this area to be developed further to include the removal and return of commercial metering assets. The asset owners would always require that any asset removed should be returned so that it can be processed for Warranty Claims or recycled and re-distributed for re-installation. This is vitally important to keep costs to a minimum and to identify faulty removals etc.

The registration of a central Asset Owner ID at AEMO would facilitate the information available to the MC, where it is not the installing MC, so that removed assets can be returned.

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

We support the proposed amendments to the draft rule.

7. Meter Coordinator obligations where a customer refuses to have an advanced meter installed.

We support the proposed amendments to the draft rule.

8. Application of the framework to transmission connection points.

N/A