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August 29, 2008

Dr John Tamblyn
Chairman,
Australian Energy Market Commission
P.O. Box A2449,
Sydney South,
NSW 1235

Dear Dr. Tamblyn,

I am writing in regards to the Victorian Jurisdictional Derogation (Advanced Metering Infrastructure Roll Out), in particular, the forthcoming determination to extend or not the derogation for LNSP (Local Network Service Provider) to be the exclusive responsible party for small customer metering

My plea is that, in any determination to extend the derogation, you do not unwittingly mandate that the LNSP be the responsible party for *non-market meters* in *Embedded Networks*.

My request merely retains current practice for Embedded Network Operators in respect to their own customers who are those customers in an Embedded Network who are not direct customers of the NEM (National Electricity Market) by virtue of the fact that the electricity that they use has already been purchased by the Embedded Network Operator at the upstream Parent Meter which is a direct customer of the NEM.

The non-market meters are those meters that are used for measuring electricity usage by customers of the Embedded Network Operator for the purpose of billing those customers.

An essential component in the management and optimization of the benefits for residents is the ability of the Embedded Network Operator to manage the embedded network in the best way for the village, including the ability to employ the most appropriate metering technology.

I am concerned that because of the lower profile of Embedded Network Operators (and perhaps lack of understanding of how they operate), that non-market meters may unwittingly be caught in any extension of the derogation especially with the added complexity of AIMRO (the Advanced Metering Infrastructure Roll Out). I ask that you take particular care to ensure that this does not occur.

It should be recognized that there is no need for customers of the Embedded Network Operators to have AIMRO meters because the profile of the usage of these customers is recorded at the upstream Parent Meter which is a Type 4 market meter.

By way of background information, Embedded Networks are a means whereby retirement village communities can manage their own electricity consumption in a way that provides financial and energy management benefits to residents far greater than what could be achieved by residents individually. Benefits for residents of retirement villages that operate as Embedded Networks include discounts in the price of electricity of between 15% and 30% off the relevant electricity Standing Tariffs.

Within a retirement village operating as an embedded network some residents may choose to purchase their electricity from a retailer other than the Embedded Network Operator. I refer to these residents as "*Non-participants*". Of the many thousands of residents in retirement villages operating as Embedded Networks there is less than 1% that are *Non-participants*.

Non-participants do require meters that are the responsibility of the LNSP so that the licensed retailers can bill their clients, however that situation in no way justifies imposing metering by LNSP upon the 99.5% of village residents who are customers of the Embedded Network Operator.

Thank you for considering this letter. There are thousands of residents who live in retirement villages who benefit greatly from their village being an Embedded Network and these residents should not lose their capacity to manage their own metering.

Please do not unwittingly capture non-market (Embedded Network customer) meters in any extension of the derogation that you might make.

I would welcome the opportunity to discuss this with you or provide you with further information, should you require it.

Yours sincerely,

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About Dennis Etchells

On behalf of the Retirement Villages Association (RVA), Council on the Ageing (COTA), Aged Care Victoria (ACCV) and Residents of Retirement Villages Victoria (RRVV), Dennis Etchells has participated in ESC, NEMMCO and ACCC discussions regarding electricity regulatory and structural issues and their impact on the aged community.

The Etchells family business *Network Energy Services* specializes in assisting retirement villages in their role as Embedded Network Operators and the enhancement of benefits for village residents.