



11 June 2020

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

Project Reference Code: ERC0298

Dear John

Re: Delayed implementation of five minute and global settlement rules

CitiPower, Powercor and United Energy welcome the opportunity to respond to the Australian Energy Market Commission's (AEMC) consultation paper on the delayed implementation of five minute and global settlement rule changes.

We support delaying the implementation of five minute and global settlement rules by 12 months. We agree with the Australian Energy Market Operator's (AEMO) reasoning that in the current environment, the proposed rule would reduce implementation risk without a material delay in benefit realisation.

We also believe:

- it to be prudent and reasonable to delay implementation of five minute interval data from type 4 meters and Victorian smart meters from 1 December 2022 to 1 December 2023 to reduce implementation risk
- AEMO's metering transition plan should be updated as soon as possible to ensure new timeframes are captured and deadlines within the transition plan are suitably delayed.

As an essential service, the delay in implementation of these matters will allow us to free up significant resources that can be allocated to provision of core activities.

All timeframes should be delayed by 12 months to reduce implementation risk

AEMO's rule change proposal is to delay the commencement of the five minute rule by 12 months to 1 July 2022 only, whilst maintaining the date for five-minute interval data being provided from the type 4 meters (and Victorian Advanced Metering Infrastructure (**VIC AMI**)) at 1 December 2022.

We oppose retaining the 1 December 2022 date for type 4 (and VIC AMI) five-minute data delivery. Maintaining this deadline will result in significantly reduced timeframes to transition our meter fleet to five minute data and directly conflict with the intent of the proposed delay to reduce implementation risk.

As owners and operators of more than 1.7 million smart (AMI) meters, with an estimated 300,000 meters expected to be installed from December 2018 to December 2022, we cannot reasonably transition our meter fleet to providing five minute data within a *five month period* (from the commencement of the rule on 1 July 2022 to 1 December 2022) with works that were originally envisaged for a 17-month period.

Based on the original rule commencement date, we had planned a staggered implementation to reduce project delivery risk, allowing us appropriate time and resources for testing and problem solving. This reduces the likelihood of any unintended delays and complications. Our staggered approach is based on:

- phase 1—start receiving type 1 to 3 meter five-minute data and delivery of type 7 and unmetered supplies five-minute data from 1 July 2021

- phase 2—focus on implementing updates within our meter data management system and obtaining the meter data provider accreditations to allow for the transition of around 300,000 meters for five-minute interval recording over the period 1 July 2021 to 1 December 2022. This includes approximately eight months to complete and test changes to our meter management system and achieve accreditation, and nine months to undertake the transition of approximately 300,000 meters.

Compressing the implementation period for phase 2 into only five months after phase 1 increases implementation risk and will likely result in delays and complications increasing the cost of implementation.

To ensure an orderly, low cost–low risk transition to five minute settlement, we recommend that the type 4 (and VIC AMI) transition date be delayed by 12 months to 1 December 2023.

AEMO’s metrology procedures should be updated as soon as possible to reflect the delay

To manage expectations among all participants, AEMO’s metering transition plan should be updated as soon as possible to ensure new timeframes are captured and deadlines within the transition plan are suitably delayed.

AEMO must provide participants the opportunity to re-organise their resources to new implementation timeframes that reduce risk and are in the long-term interest of consumers. Providing clarity on the timelines, through the AEMO procedures, would best ensure the intent of the rule change proposal to allow market participants to refocus resources to core services.

Should you have any queries about this letter please do not hesitate to contact Sonja Lekovic on (03) 9683 4784 or slekovic@powercor.com.au.

Yours sincerely



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CitiPower, Powercor and United Energy