24 April 2020

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Australian Energy Market Commission (AEMC)
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Sydney South NSW 1235

Via email: alisa.toomey@aemc.gov.au

Dear Alisa

DRAFT RULE DETERMINATION: INTRODUCTION OF METERING COORDINATOR PLANNED INTERRUPTIONS

Endeavour Energy appreciates the opportunity to provide this additional response to the AEMC's *Introduction of metering coordinator planned interruptions* draft rule determination (the draft rule).

The AEMC have extended the time for making a final determination until 21 May 2020 and provided an additional consultation opportunity in order to consider an alternative solution proposed by some stakeholders in submissions to the draft determination. Specifically, the following options are being consulted on:

1. An alternative solution requiring DNSPs to install separate isolation devices to each premises at the first supply interruption to facilitate the installation of a new meter.
2. Minor amendments to the draft determination, including:
    a. Extend the timeframe for installation of meters where there is shared fusing and/or allow for exceptions (e.g. for severe weather events)
    b. Providing for customer choice of meter installation date
    c. Require DNSPs to notify all affected retailers of the planned supply interruption
    d. Extend implementation timeframes to allow for system changes

We remain supportive of the AEMC's draft rule determination and consider it better addresses the issues relating to the timely installation of metering equipment for customers on a shared service fuse. Our response to the draft determination suggested that the timeframes for all parties be aligned to 30 days or waived with customer agreement. We also suggested exceptions should apply for family failure meter replacements and for there to be a transition period when implementing the final rule. We therefore support option two above, with amendments suggested under (a), (b) and (d) to address the recommendations made in our response to the draft determination.

The effectiveness of a shared fuse register in reducing site visits will be limited

The draft rule introduces an obligation on DNSPs to record shared fuse information in MSATS to provide metering parties visibility on shared fuse premises prior to attending the site. We are concerned this will discourage Metering Providers (MPs) from conducting initial sites visits to assess site-specific issues that may impact the metering installation work.

Some of these issues (e.g. restricted access; safety) will not be identified until the DNSP attends the site to issue interruption notifications to affected customers and result in a 'wasted' site visit by the DNSP. However, DNSP staff are not well placed to assess issues pertaining specifically to the metering work performed by MPs (e.g. determining whether there is sufficient space within the metering board; the presence of asbestos). In the absence of a scoping visit by the MP, these issues will not be identified until the MP attends the site during the planned interruption and if they cannot be resolved promptly, would result in the metering installation work being delayed. The cost and inconvenience encountered will be compounded if meter installations to other customers were also planned under the same outage.

Also, maintaining an accurate register could become complicated when an individual isolation device is installed for a meter but remains part of a shared fuse arrangement with other meters. This could lead to confusion when determining customers impacted by a planned interruption and highlights the risk of relying a register that is not maintained with verified data. Over time as inaccuracies become more prevalent, confidence in the register will fall and maintaining it will become an administrative burden that is greater than the limited benefits it may provide.

Given these issues, we suggest that the obligation to maintain a register of installations with a shared fuse not be included in the final rule.

Should this obligation be retained, we request the AEMC to be cognisant of the 12 month deferral for work related to the introduction of five minute settlement proposed jointly by the energy market bodies. This deferral may impact on AEMO's Standing Data Review project which is considering the addition of shared fuse information in MSATS in response to the draft determination. We maintain our view that network system changes arising from this rule change should align with AEMO's planned MSATS updates and consider the shared fuse reporting requirements that give rise to these changes should therefore also be delayed to align with AEMO's project timelines.

Coordinating multiple meters to be installed under a single interruption will be a complicated task and will lead to further delays

With respect to the amendments proposed in (c) we consider it would be problematic to cater for meter replacements performed by multiple MPs under a single planned interruption. In practice, space limitations prevent more than one MP working safely on a meter board at any given time. Consequently, providing MPs with sequential access to a meter board will result in customers enduring prolonged supply interruptions (particularly if a scheduled MP is delayed or fails to attend) and be more complex and costly to coordinate as the number of parties involved increases.

Furthermore, allowing meter replacements to be performed under an interruption initially requested for a different customer raises issues over which party is liable for distributor planned interruption charges payable to the DNSP and how these costs might be shared.

The proposed changes in (c) will introduce delays and conflict with the objective of the rule change proposal. For instance, it would no longer be possible for DNSPs to issue planned interruption notices at the same time impacted customers are identified (at the first DNSP site visit) as the duration of the outage would not be known. Instead, the process after DNSPs identify impacted customers require:

1. DNSPs to identify the impacted retailers and send them a planned interruption notice via B2B (1-2 business days);
2. Impacted retailers to determine whether they have a pending meter change and if the MP has the capacity to perform the meter change on the planned interruption day;
3. Impacted retailers will then have to inform the DNSP (through a new B2B transaction) of the ability of the MP to change the meter on the same planned interruption day (2-3 business days);
4. DNSPs would need to coordinate with all the MPs that are intending to change a meter on the planned interruption day and determine the outage period (1-2 business days); and
5. DNSPs to send impacted customers their planned interruption notice (5-7 business days to provide the customer at least 4 business days' notice).

This demonstrates that amendment (c) not only adds complexity to what is currently a simple process but it also extends the time needed to issue a notice to shared fuse customers and adds to the challenge of complying with the timeframes proposed in the draft rule. These steps will apply in each instance a distributor planned interruption has been requested for a shared fuse site and the estimated delays also encountered in cases where affected retailers have not taken the opportunity to install meters during the initial outage.

From a regulatory and capability perspective, DNSPs are not well placed to install metering isolation devices.

We are not supportive of the alternative solution and have several concerns about the additional responsibilities and costs imposed on DNSPs (and ultimately paid by network customers) who are ill-suited to perform this function under the regulatory framework.

Firstly, metering isolation devices typically lie deep within the boundary of a customer's electrical installation behind the connection point. In NSW, work behind the connection point can only be performed by competitive providers with ring-fencing provisions preventing DNSP involvement. Also, DNSPs are prohibited from owning equipment on the customer's side of the connection point. The NER allows network devices to be exempted from this restriction however, metering isolation devices are not required by DNSPs to provide network services and therefore does not satisfy in full the NER definition of a network device.

These restrictions make the solution unworkable under the existing regulatory framework. Any rule change to facilitate this option would be incongruent with rules and guidelines made by the AEMC and AER respectively over recent years to clarify the division of responsibilities between regulated networks and contestable providers and facilitate competition in metering and behind-the-meter energy services.

Secondly, the condition and configuration of meter boards will vary and as demonstrated by the AMI roll-out in Victoria, DNSPs will be exposed to significant additional remedial costs to ensure metering installations are safe and comply with the relevant service installation rules (SIR). Among the issues that will likely be encountered include: insufficient space to house isolation devices within the existing board; exposed cables and other wiring defects; and aged, non-compliant metering installations.

We believe these complexities could be managed more efficiently if meters and isolation devices were installed together as part of a complete meter board replacement. The primary work is the installation of the meter with installation of the isolation device a supporting activity that should be considered in conjunction with the metering requirements and meter board layout. Combining these tasks would allow for a better meter board design with costs minimised if performed by a single competitive provider.

Thirdly, it would not be appropriate for network customers to fund this work through DUoS charges on the basis metering isolation devices are not inputs required by DNSPs to provide distribution services (they facilitate contestable metering work). This would also preclude it from being classified as an alternative control service which would have the added complication of attributing ANS fees and charges to multiple retailers. We are also concerned that if costs were passed through to customers, many would be liable to pay their retailer for a service they did not request.

Finally, following the introduction of metering contestability we have reduced our metering-related resources. It would require additional investment in labour; training; fleet and equipment; and system updates to have the capabilities to deliver an extensive installation program. The level of expenditure will likely vary depending on any maximum timeframe set for DNSPs to install the devices.

Given the alternative solution lacks detail and introduces ideas and issues that were not able to be considered by stakeholders prior to the draft rule determination, we believe it would be appropriate for it to be subject to a separate rule change consultation process.

If you have any queries or wish to discuss our submission further please contact Jon Hocking, Manager Network Regulation at Endeavour Energy on (02) 9853 4386 or via email at jon.hocking@endeavourenergy.com.au.

Yours sincerely

Rod Howard
Deputy Chief Executive Officer