

INTRODUCTION OF MC PLANNED INTERRUPTIONS

DRAFT DETERMINATION SUBMISSION SUMMARY

AUSTRALIAN ENERGY MARKET COMMISSION
MARCH 2020

AEMC

Overview of the rule change

Proponent	Chair of the Competitive Metering Industry Group (CMIG)
Issues identified by proponent	<p>Customers whose premises share a single supply service and Service Protection Device with one or more adjoining premises cannot have a meter installed without interrupting another premises' supply.</p> <p>Retailers cannot interrupt supply to a customer who is not theirs. In shared fusing situations, the MC cannot complete the installation and the retailer has to request a DNSP planned interruption to complete the metering installation.</p> <p>There is an exception to meeting the metering installation timeframes in the NER if supply to another customer will have to be interrupted to carry out the installation.</p> <p>Shared fusing results in multiple visits to the customers premises at an increased cost for retailers (e.g. extra site visits) and causes delay to the customer's metering installation.</p>
Customer impact	The customer may be unable to access new products and services until the upgrade is complete, resulting in a poor customer experience. In addition, where the new services allow customers to reduce their energy bills, installation delays may result in higher bills than necessary.

CMIG proposed rule recap

- The approach proposed in the rule change request is that **Metering Coordinators be allowed to arrange for planned interruptions** for multiple customers for the purpose of **installing metering equipment**.
- This would include giving MCs the **same rights and obligations** around planned outages **as distributors** under the NER and NERR including the same obligations to notify customers, and the same penalties.
- Notification of distributors and retailers would be via the B2B eHub unless an alternative method of notification is agreed.
- The rule change request proposed that MCs be allowed to arrange for planned interruptions of an unlimited number of customers.
- The rule proponent proposes removing the current exception from the metering installation timeframes.

AEMC draft rule recap

The Commission made a **more preferable draft** rule to mitigate consumer protections issues.

The draft rule **introduced timeframes** for the installation of meters to be completed in cases where there is **shared fusing** at a premises.

Where the installation of an electricity meter, or the rectification of a malfunctioning meter, will require interrupting the supply to other customers the following timeframes would apply:

- retailers need to complete the meter installation within 30 BD of discovering the shared fusing
- MCs need to rectify meter malfunctions within 30 BD of discovering the shared fusing
- if requested by a retailer or MC, DNSPs would be required to carry out a distributor planned interruption within 25 BD to allow for the retailer or MC to meet their timeframes.

The draft rule clarifies that **retailers** are able to interrupt supply to **ANY** of its **own customers** for **metering** purposes. Retailers could also choose to coordinate retailer planned interruptions.

If a retailer planned interruption cannot be carried out, the retailer can organise for a DNSP planned interruption (e.g. multiple retailers customers and retailers do not want to coordinate).

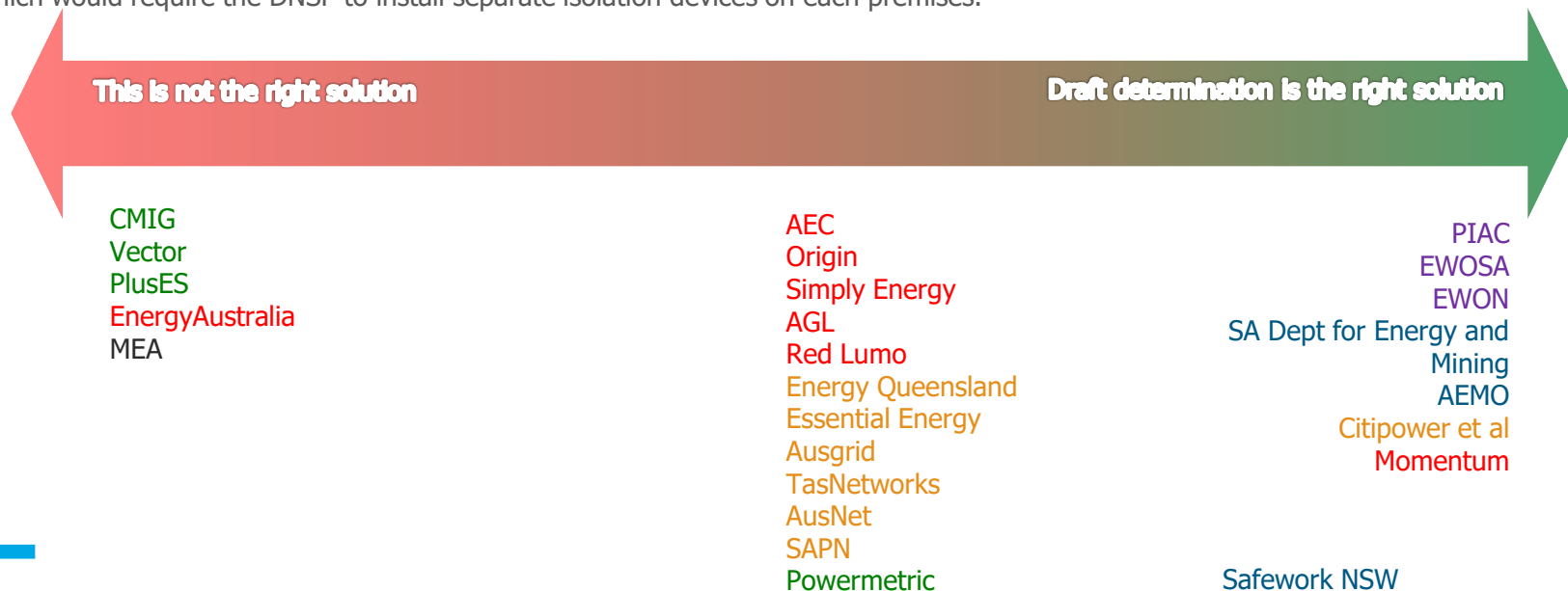
In addition, retailers and MCs are required to inform DNSPs when shared fusing is discovered, with DNSPs to then record the shared fusing information as soon as practicable.

STAKEHOLDER SUBMISSIONS



Stakeholder views: draft determination

We received **25 submissions** from a range of stakeholders. Stakeholders had **mixed views** on the draft determination. Some proposed **minor changes** such as amendments to timeframes, a number, driven by CMIG, proposed another **alternative solution** – which would require the DNSP to install separate isolation devices on each premises.



Stakeholder views - benefits of draft rule

The majority of stakeholders (DNSPs, consumer groups, government bodies and most retailers) were largely supportive of the draft rule, with areas of improvement identified.

The SA Department for Energy and Mining, AEMO, EWOSA, PIAC & EWON were of the view that the draft rule struck a balance between timely installation and appropriate consumer protections.

BENEFITS OF PROPOSED RULE	STAKEHOLDERS
Addresses all sites	Momentum,
Amendments to metrology procedures to record shared fusing going forward to identify share fusing at sites prior to site visit	Momentum, AGL, Simply Energy, EWOSA, SAPN
Clarifies that retailers are able interrupt supply to any of its own customers	AGL, PIAC, EWOSA, TasNetworks, Endeavour Energy, AEMO
Timeframes will provide greater certainty for customers	AGL, Simply Energy, EWOSA, Endeavour Energy, SA Department for Energy and Mining, AEMO,
Utilises existing framework	PIAC, AEMO
Maintains crucial consumer protections	PIAC, EWON, EWOSA, Endeavour Energy, SA Department for Energy and Mining, AEMO

Stakeholder views - risks of draft rule

Risk of the proposed rule raised by stakeholders included:

RISKS OR ISSUES RAISED IN SUBMISSIONS	STAKEHOLDERS
Meter installation timeframes:	
<ul style="list-style-type: none"> • does not allow DNSPs to prioritise new connections or necessary maintenance or allow for exceptions due to severe storms, high temperatures or other requirements. • does not allow retailers to carry out retailer-led meter installations utilising the existing interruption to reduce the overall interruptions. • Does not allow customer(s) to choose a timeframe which suits them 	<p>SAPN, Endeavour Energy, Energy Queensland, Ausgrid, Vector, CMIG</p> <p>EnergyAustralia, AGL, Origin, Simply, Red/Lumo, AEC</p> <p>Essential Energy, TasNetworks, Endeavour Energy, Energy Queensland, Ausgrid, Vector, CMIG</p>
Implementation timeframes may not be adequate - further consultation required.	SAPN, TasNetworks, Origin, Simply, Endeavour Energy, Citipower et al, Ausgrid, AEMO
Does not focus on reducing the number of outages.	EnergyAustralia, PlusES, CMIG
Does not focus on reducing costs eg. DNSP outages and multiple site visits/ will increase costs.	EnergyAustralia, MEA, Powermetric, Vector, CMIG
DNSP should not be required to coordinate logistics.	SAPN
Doesn't cover situations where site isolation missing or inaccessible.	Origin, EnergyAustralia, PlusES
Costs of DNSPs' and AEMO's system changes may be disproportionate.	Citipower et al, AusNet Services

Stakeholder views - proposed amendments to the draft rule (1)

Stakeholders proposed a number of amendments to the proposed rule change, mainly relating to the timeframes for meter installation, the implementation timeframe or notification requirements. A cohort of stakeholders recommended an alternative to the draft rule (this is discussed on slide 11).

ALTERNATIVE SOLUTION PROPOSED	STAKEHOLDERS
Consider alternative timeframes for meter installation where there is shared fusing:	Many stakeholders
<ul style="list-style-type: none"> Extend timeframes to allow for severe storms, better scheduling of key work such as new connections, etc. Eg. timeframe of 40 business days 	SAPN, Endeavour Energy, Citipower et al, Ausgrid
<ul style="list-style-type: none"> Provide exceptions if timeframes cannot be met due to severe storms, extreme temperatures or large numbers of family failure replacement 	SAPN, Energy Queensland, Endeavour Energy, Ausgrid, CMIG
<ul style="list-style-type: none"> Allow customers to agree to an alternate timeframe 	Simply, AEC, TasNetworks, Energy Queensland, Endeavour Energy, Ausgrid, CMIG
<ul style="list-style-type: none"> Extend timeframes to allow retailers to carry out retailer-led meter installations and/or reduce notification requirements around retailer-initiated meter replacements to allow for retailers to utilise the interruption and reduce the number of interruptions 	AGL, Simply, Red/Lumo, AEC

Stakeholder views - proposed amendments to the draft rule (2)

Stakeholders proposed a number of amendments to the proposed rule change, mainly relating to the timeframes for meter installation, the implementation timeframe or notification requirements.

ALTERNATIVE SOLUTION PROPOSED	STAKEHOLDERS
Require DNSPs to use B2B to notify all retailers of all affected customers of the planned interruption of supply to install a meter to reduce the number of overall supply interruptions.	AGL, Simply, Red/Lumo, AEC, Vector, CMIG
Implementation timeframes should be extended to provide for adequate consultation and possible alignment with other projects as well as system changes for market participants.	Origin, Red/Lumo, SAPN, TasNetworks, Energy Queensland, Endeavour, Citipower et al, AusNet Services, Ausgrid, AEMO
Shared fusing information should be more detailed and specify other sites that share the same fusing.	Origin
Shared fusing information may not be of great value if not verified.	Energy Queensland, Vector
DNSPs not be required to provide details of shared fusing on family failure notifications as this would be available in MSATS.	Vector, Ausgrid
MC planned interruptions be allowed for small numbers of customers.	EnergyAustralia, SAPN

Stakeholder views - alternative solution to the draft rule

A cohort* of MCs and retailer proposed an alternative solution to the draft rule:

That DNSPs be required to install separate isolation devices for each of the premises with shared fusing at the first supply interruption to install a new meter.

The cohort views this as an a preferable solution as it

- would **resolve shared fusing** issues when discovered
- **Reduce** the number of **supply interruptions** for meter installation for customers with shared fusing
- **Reduce** the number of **site visits** required
- **Remove** the need for **separate timeframes** for meter installation where there is shared fusing
- **Remove** the need for **recording of shared fusing** in AEMO systems by DNSPs

Some stakeholders were of the view that DNSPs should be able to recover the cost of installing separate isolation devices as regulated revenue.

- *Cohort includes: CMIG, Vector, PlusES, Powermetric, MEA, EnergyAustralia, Simply Energy, AGL, Red/Lumo, AEC.

NEXT STEPS



Consideration of stakeholder suggestions

Stakeholders provided a number of suggestions which the AEMC staff sees as valuable amendments to the draft rule. An alternative solution was also suggested which requires further investigation.

There are **two possible scenarios** the AEMC staff are analysing and consulting on further:

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 improve the operation of the draft rule by:**
 - Providing for customer choice of meter installation date
 - Allowing for prioritisation of critical DNSP work and allow other retailers to coordinate installation of other meters in the same supply interruption to reduce the number of interruptions to impacted customers
 - Providing greater time for consultation and system changes to implement the changes required under the rule.

1. Proposed alternative requiring DNSPs to install separate SPD

The new solution to the underlying issue of shared fusing proposed by CMIG and a cohort of retailers and MCs to require **DNSPs** to install **individual isolation devices** is a possible solution but **requires further analysis**.

Issues requiring analysis include:

- **Costs** of **installing single isolation fuses** compared to costs of supply interruptions
- Consideration of **complex scenarios** such as where meter panels require replacement or location of fusing is problematic
- **How** the **AER would classify the costs** incurred by DNSPs and any flow on impacts for customers
- If the proposed solution crosses partially into **jurisdictional** functions
- Whether the Commission should **prescribe** how DNSPs **operate their networks**

DNSP, consumer groups and other stakeholders views on the proposed solution also need to be sought.

2. Proposed amendments to more preferable draft rule

Stakeholders provided a number of suggestions for amendments to the draft rule which are being considered.

Potential changes from draft rule:

- **Extend the timeframe for installation of meters where there is shared fusing and/or allow for exceptions with complying where there has been severe weather events (for example)**

Combined with other recommended changes below this could provide retailers greater opportunity to utilise the supply interruption to carry out other meter replacements, such as for family failure, and would provide DNSPs with the ability to prioritise critical work.

- **Allow customers to agree to an alternative meter installation date**

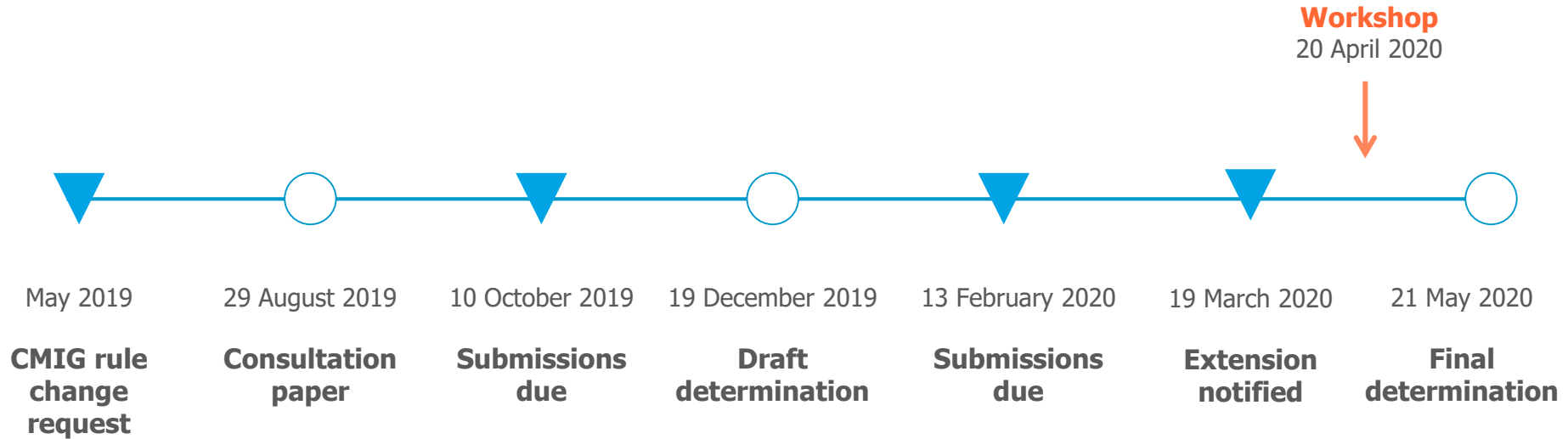
This is consistent with the meter installation timeframes where there is single fusing and provides customer choice.

- **Require DNSPs to notify all affected retailers of the planned supply interruption via B2B procedures**

This would allow retailers to proactively replace family failure meters if required at the same interruption, reducing the number of outages experienced by the customers.

- **Extend implementation timeframes to allow for system changes**

Next steps



APPENDIX

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Background: Installation of meters

Since **Competition in metering** the **retailer is responsible** for **metering services** for its small customers, via a 'metering coordinator' (MC).

There are three broad categories of meter installations:

- Customer initiated installations
- Replacement of manufacturing meters
- Retailer initiated installations

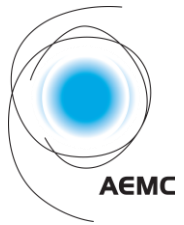
Metering installations timeframes rule introduced timeframes for customer initiated meter installations, and revised the timeframes for replacing malfunctioning meters.

There is an exception from the meter installation timeframes if the installation of a meter for a small customer would interrupt supply to another customer.

Retailers and DNSPs can agree with a customer a suitable date or date range for works to proceed via a planned interruption of supply. If no agreed date, 4 business days minimum notice must be given of a planned interruption.

Stakeholder views: consultation paper recap

- The AEMC received **22 submissions** to the consultation paper. Most **agreed changes are required** for more timely installation of meters where there is shared fusing, however, stakeholders had **mixed views** on whether MC planned interruptions was the **right solution**.
- Stakeholders raised a number of consumer protection issues including that there is **no relationship** or contract with the MC and the other customers whose supply would be interrupted and **no contractual protections** and lack of access to customer data including life support information.
- Other issues raised included:
 - confusion/may ignore a **MC planned interruption notice**
 - Doesn't solve a number of issues, eg. where DNSPs isolation fuse cannot be operated by the MC
 - Customers would experience **multiple interruptions** if meters are installed one at a time
- Site visits only saved if the other impacted customers happen to be **home** and provide their consent on the spot.
- **Privacy issues**



Office address

Level 15, 60 Castlereagh Street
Sydney NSW 2000

ABN: 49 236 270 144

Postal address

PO Box A2449
Sydney South NSW 1235

T (02) 8296 7800

F (02) 8296 7899