15 November 2016

Dr Anthony Marxsen
Chairman
Australian Energy Markets Operator
GPO Box 2008
Melbourne Vic 3001

By email: poc@aemo.com.au

Dear Dr Marxsen

RE: AEMO – Power of Choice Procedure Changes (Package 2) – First Stage Consultation (10 October 2016)

Endeavour Energy welcomes the opportunity to provide feedback on AEMO's first stage consultation on Power of Choice Procedure Changes (Package 2).

AEMO's consultation process follows the Australian Energy Markets Commission (AEMC) Power of Choice program which implemented a number of rule changes designed to promote competition in metering and other emerging energy services. In particular, the following amendments were made to the National Electricity Rules (NER):

- National Electricity Amendment (Expanding competition in metering and metering related services) Rule 2015.
- National Electricity Amendment (Embedded Networks) Rule 2015.
- National Electricity Amendment (Meter Replacement Processes) Rule 2016.

As a consequence of these rule changes, AEMO is required to amend existing procedures and develop several new procedures. AEMO has developed and consulted on the first package of procedures earlier in 2016 and have published their final determination for the first package on 31 August 2016. AEMO has now created or amended more procedures for the second package and are now consulting on this package of procedures. Broadly, we support the amended and new procedures and consider they collectively give effect to the AEMC's Power of Choice reforms.

Our key comment on the suite of procedural changes is that mandating the reuse of a NMI when a connection point moves from a distribution network to an embedded network, and vice versa, would place extra costs on participants to comply and would result in two different processes depending on if an ENM is required or not. Allowing for the NMI to be extinct when an existing connection point becomes a child connection point, and vice versa, would maintain the current industry practice and align with existing market participant systems and processes. Further, this would reduce any implementation cost and risks, and allow for a consistent market process across various scenarios.

This is a challenging work program and timeframe and we appreciate the consultation undertaken by AEMO to date. Our detailed comments on each of the amended or new procedures are attached to this response in the manner requested by AEMO. We would welcome the opportunity to work collaboratively with AEMO and other stakeholders in developing these procedures further.

If you have any queries or wish to discuss this matter further please contact Glenn Ryan, Project Director Metering and Customers at Endeavour Energy on (02) 9583 7591 or via email at glenn.ryan@endeavourenergy.com.au.

Yours sincerely

Rod Howard
Acting Chief Executive Officer

51 Huntingwood Drive Huntingwood NSW 2148
PO Box 811, Seven Hills NSW 1730
T: 131 081 • F: 61 2 9853 6000
www.endeavourenergy.com.au
ABN 59 253 130 878

METERING COMPETITION
EMBEDDED NETWORKS
METER REPLACEMENT PROCESSES

PROCEDURE CONSULTATION

SECOND STAGE PARTICIPANT RESPONSE TEMPLATE

Participant: Endeavour Energy

Completion Date: 15 November 2016

Table of Contents

1. Glossary and Framework 3
2. Default & Deregistration Procedure (MP, MDP, ENM, MC) 3
3. Exemption Procedure (Metering Installation Malfunctions) 6
4. MSATS Procedures: National Metering Identifier 8
5. Qualification Procedure 12
6. Service Level Procedure – Embedded Network Manager 14
7. Unmetered Load Guideline 15
8. Other Issues Related to Consultation Subject Matter 16

1. Glossary and Framework

Please delete any rows where there are no participant comments

(note: only sections that have changed as part of Work package 2 are listed in the table below)

Clause	Heading	Participant Comments
2.11	Exemptions	Minor error: The last sentence should reference the guideline and not a procedure. We suggest rewording the last sentence to “This guideline is not subject to consultation under the NER.”

2. Default & Deregistration Procedure (MP, MDP, ENM, MC)

Please delete any rows where there are no participant comments

Clause	Heading	Participant Comments
2	BREACH OF THE NER OR PROCEDURES UNDER THE NER	Procedure improvement: For avoidance of doubt it should be highlighted that AEMO will consider information or reports from other regulatory and auditing bodies such as the NSW Fair Trading who audits metering installations performed by metering providers. We suggest rewording the last paragraph to:

		"The failure of an MP, MDP, ENM or MC to comply with the NER or any applicable procedures under the NER, or a failure to meet a condition of accreditation, (Breach) may come to AEMO's attention following audits of MP, MDP, ENM or MC compliance, information in AEMO systems and records, complaints from affected Participants or End Users, notifications from other regulatory bodies or through self-reporting."
3.1	Immaterial Breach	Procedure improvement: Other areas that should be considered are non-compliances with Rules and procedures that do not impact on AEMO's ability to perform its functions or comply with its obligations or the services and business operations, or regulatory obligations, of other Participants. For example not having a disaster recovery system. We suggest adding clause 3.1.c as follow: "any non-compliances with the NER and procedures that AEMO considers to be an immaterial breach."
3.2	Significant Breach	Procedure improvement: For avoidance of any confusion the last word in Clause 3.2.a should be 'or'. We would suggest rewording clause 3.2.a to "AEMO's ability to perform its functions or comply with its obligations; or" Procedure improvement: Other areas that should be considered are non-compliances with Rules and procedures that do not impact on AEMO's ability to perform its functions or comply with its obligations or the services and business operations, or regulatory obligations, of other Participants. We suggest adding clause 3.2.c as follow: "any non-compliances with the NER and procedures that AEMO

		considers to be a significant breach."
3.3	Material Breach	Procedure improvement: Other areas that should be considered are non-compliances with Rules and procedures that do not impact on AEMO's ability to perform its functions or comply with its obligations or the services and business operations, or regulatory obligations, of other Participants. We suggest adding clause 3.2.c as follow: "any non-compliances with the NER and procedures that AEMO considers to be a material breach." Procedure improvement: For avoidance of any confusion the last word in Clause 3.3.c should be 'or'. We would suggest rewording clause 3.3.c to "the cessation of any activity that the relevant MP, MDP, ENM or MC has been appointed to perform, other than as strictly required by the NER or in applicable procedures under the NER; or"
8.1.1	Material Breach	Procedure improvement: clause 8.1.1.b.ii should include all meter types not already listed in clause 8.1.1.b.i. We suggest rewording clause 8.1.1.b.ii to: "10 business days from the date of the notice where the deregistration will affect End Users with all other metering installation types."

3. Exemption Procedure (Metering Installation Malfunctions)

Please delete any rows where there are no participant comments

Clause	Heading	Participant Comments
2	APPLICATION PROCESS	Procedure improvement: A diagram would help to explain the application process. We suggest that the diagram shown in clause 4.1.1 of the current procedure, or similar, be added to this procedure.
2.2	Timing of Application	Procedure improvement: Clause 2.2 places an obligation on the current MC to apply for an exemption if a metering installation malfunction that cannot be repaired within the timeframes specified by clause 7.8.10(a) of the NER. However clause 11.86.7.g.2 of the NER states that the MC for type 5 or 6 metering installation from 1 December 2017 "is not obliged to comply with clause 7.8.10(a)(2) …". To avoid any confusion we suggest that clause 2.2 be reworded to: "The Current MC, except for a MC appointed under clause 11.86.7.a or 11.86.7.c of the NER, must apply to AEMO as soon as the Current MC becomes aware of a metering installation malfunction that cannot be repaired within the timeframes specified by clause 7.8.10(a) of the NER using the application form provided in Appendix A."
2.3	AEMO's Determination	Procedure improvement: Clause 7.6.3 of the current procedure states that "…AEMO will notify all Market Participants, the Metering Data Provider and the Metering Provider, associated with the connection point, of its decision by forwarding a notice of acceptance or rejection of an

		application in the form of Appendix C…" A similar statement is not in this procedure. We suggest that this current business practice should continue so that impacted participants are made aware of all exemption approvals and rejections. We suggest that clause 7.6.3 of the current procedure, or similar wording, be added to this procedure.
2.8	Current MC's Obligations during the Exemption Period	Procedure improvement: Clause 2.5 states that AEMO may revoke an exemption. For completeness the date when AEMO revokes an exemption should be added as clause 2.9.e
APPENDIX A	APPLICATION FOR EXEMPTION	Procedure improvement: Section 12 of the exemption application should also include the NSP2 because they would be an impacted participant that needs to be considered and notified. Grammatical error: Section 15 should be reworded to "MP rectification plan attached?" Formatting error: the text "Please send this application to meter@aemo.com.au" should be left aligned, be within one line and should be at the top of the application form.
APPENDIX B	APPLICATION FOR EXTENSION	Procedure improvement: The extension application should include a section that is similar to section 12, 13, 14 and 17 of the exemption application because these matters may have changed and should be considered in determining the extension application.

4. MSATS Procedures: National Metering Identifier

Please delete any rows where there are no participant comments

Clause	Heading	Participant Comments
4	NMI REGISTERS	Grammatical error: The word 'or' should be used of the word 'of'. The sentence should state "NSPs and ENMs must maintain a register of NMIs assigned by them to connection points or child connection points."
6	DATASTREAM SUFFIX	Procedure improvement: Clause 6.e currently reference service providers, e.g. metering providers and metering data providers, and this has been removed. For avoidance of confusion this should be added back in. We suggest that clause 6.e be reworded to: "The Datastream suffix is only used between Participants and service providers, and is not used in conjunction with the NMI Checksum. The Datastream suffix allows Participants and service providers to identify data at a sub-connection point level and to identify the individual sources of metering data to maintain necessary audit trails."
7	DATASTREAM SUFFIX FOR INTERVAL METERING DATA	Formatting error: Table 1 should show the datastream for check volts/amps as a capital Z.
7.2	Wholesale Connection Points	Procedure improvement: Clause 7.2.a contains symbols that are difficult to interpret. We suggest rewording to: LR = POOL* (where the "*" is a wildcard for the region)

8	CONNECTION POINTS WITH TYPE 1 METERING	Formatting error: A footnote identifier is located in clause 8.d on page 10, however the footnote text is on page 9. We suggest that this formatting error be corrected so that the footnote identifier and footnote text is on the same page. Grammatical error: The word 'then' should be used in clause 8.d. We suggest rewording to: "If the check meter is of a lower accuracy standard than the metering installation then only the 'Master' Datastream is submitted, in which case the Datastream suffixes will have an initial character B (import) or E (export) or N (net)."
10	NMI RULES	Procedure improvement: Rule 2 states that "A NMI cannot be changed or reallocated to another connection point" and "If an End User changes the physical location of the connection point, a new NMI must be allocated to the new connection point". We agree with this statement because this rule is consistent with the Rules defined in the existing version of the NMI Procedure and existing market participant systems and process have been designed to comply with this obligation. However Rule 2 now has new statements that contradicts the underlying principle of Rule 2, such as "NMIs cannot be changed where a Child NMI becomes directly connected to a distribution network or reverts to an embedded network connection" and "If an existing connection point becomes a child connection point the NMI will not be changed" When an existing connection point becomes a child connection point the physical location of the connection point changes and the agreed point of supply also changes because electrical configuration work is require to move the point of supply from the distribution network to the embedded

		network. Similarly, this also applies when a child connection point becomes directly connected to a distribution network. AEMO also highlighted a concerned that if a NMI was made extinct then retrospective changes cannot be made to the NMI in MSATS. However testing in MSATS pre-prod indicates that retrospective changes can be made to an extinct NMI in MSATS. Please see supporting information and screen prints in appendix A. The AEMC's final rule for embedded networks allowed for the AER to provide an exemption from the requirement to have an ENM under clause 2.5.1(d2). It is not clear what the obligations are if an existing connection point becomes a child connection point but there is no ENM. In this scenario the most appropriate action would be to extinct the NMI. The changes proposed in this section would place extra costs on participant to comply with and would result in two different processes depending on if an ENM is required or not. Allowing for the NMI to be extinct when an existing connection point becomes a child connection point, and vice versa, would maintain the current industry practice and align with existing market participant systems and processes. Further, this would reduce any implementation cost and risks, and allow for a consistent market process across various scenarios. We would suggest deleting the following contradictory statements from Rule 2: "NMIs cannot be changed where a Child NMI becomes directly connected to a distribution network or reverts to an embedded network connection." "If an existing connection point becomes a child connection point the NMI

		will not be changed."
12.6	One End User, multiple meters on secondary side of multiple transformers in the same substation building and LV switchboard in common switchroom	Procedure improvement: The diagram attempts to show the connection point using a symbol that is not defined in the legend on page 11. We suggest that the diagram or the legend be updated to ensure the symbols are aligned.
12.12	Multiple End Users, High rise building	Procedure improvement: The diagram shows one physical point of connection, but each premises has its own connection point which is deemed to be at the physical point of connection. However the first bullet point states that there are "Multiple physical connection points .." which is incorrect. We suggest rewording the first bullet point to: "One physical point of connection with each premises has its own connection point deemed to be at the physical point of connection"
14	ENERGY DIRECTION FLOWS	Procedure improvement: For Accumulation Meter Datastreams energy values for import (generation) is only negative in the MDM report and positive in the MDFF report. To avoid any confusion we suggest rewording to: "For Accumulation Meter Datastreams, this means that the energy values for import (generation) must be negative in the MDM report"

5. Qualification Procedure

Please delete any rows where there are no participant comments

Clause	Heading	Participant Comments
2.2	Pre-Reading	Procedure improvement: The table should add the ROLR Part A & B, MDFF, MDM Procedures and include them as pre-reading for a MDP. Procedure improvement: The table should include the MSATS Procedures: National Metering Identifier as pre-reading for a MDP.
3.6.1	General	Procedure improvement: Metering Provider category C should also be excluded from the requirements to have access to systems highlighted in the first paragraph. We suggest rewording to: “After accreditation and registration, MPs (except Category A), MDPs (except category C) and ENMs will require access to AEMO’s MarketNet, MSATS and the B2B e-Hub (which is part of MSATS).”
3.6.2	MarketNet	Procedure improvement: The ENM should be included in the first paragraph. We suggest rewording to: “MarketNet is AEMO's network that provides Registered Participants, ENMs, MPs and MDPs access to MMS and MSATS.”
3.6.3	MSATS	

3.9.1	AEMO Accredits and Registers Applicant	Procedure improvement: The successful applicant should also be obligated to update the ROCL prior to receiving their new or amended accreditation. We suggest rewording to: “AEMO will also update its published list of accredited MPs, MDPs or ENMs (as appropriate) and the ROCL to include the details of the successful applicant and their accreditation.”
5	RE-ACCREDITATION AND REGISTRATION	Procedure improvement: It is not clear what is meant by “ … as adjusted by AEMO” given that any changes to this procedure must undergo a consultation process. For the avoidance of any confusion we suggest that these words be removed from paragraph.

6. Service Level Procedure – Embedded Network Manager

Please delete any rows where there are no participant comments

Clause	Heading	Participant Comments
4.3.3	Physical Rewiring to Join an Embedded Network	Procedure improvement: When an existing connection point becomes a child connection point the physical location of the connection point changes and the agreed point of supply also changes because electrical configuration work is require to move the point of supply from the distribution network to the embedded network. Therefore the NMI should be made extinct and if necessary a new NMI assigned to the child connection point. Please see our comments in the MSATS Procedures: National Metering Identifier for more detail. We suggest deleting this clause.

7. Unmetered Load Guideline

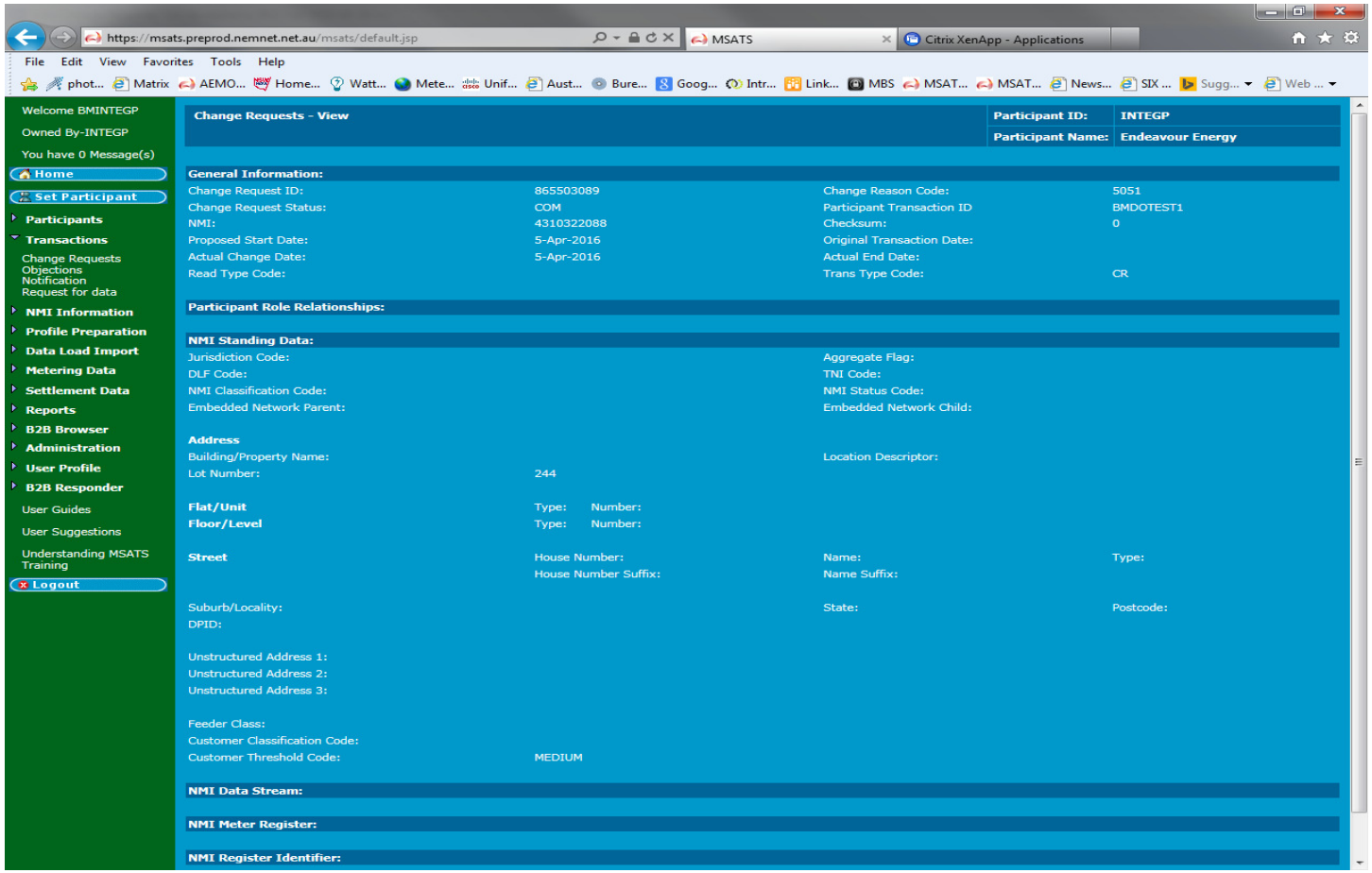
Please delete any rows where there are no participant comments

Clause	Heading	Participant Comments

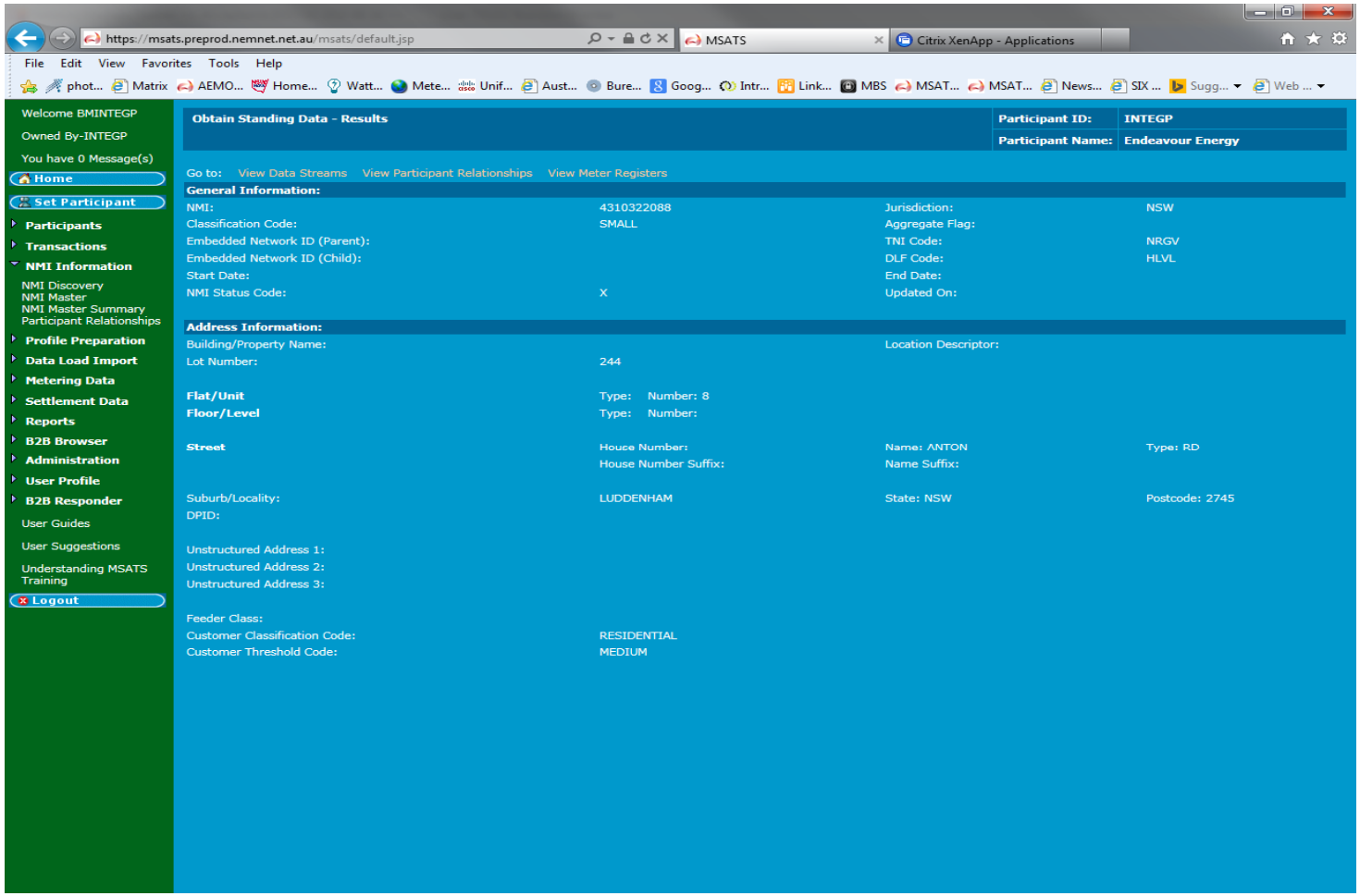
8. Other Issues Related to Consultation Subject Matter

Document	Clause	Heading	Participant Comments

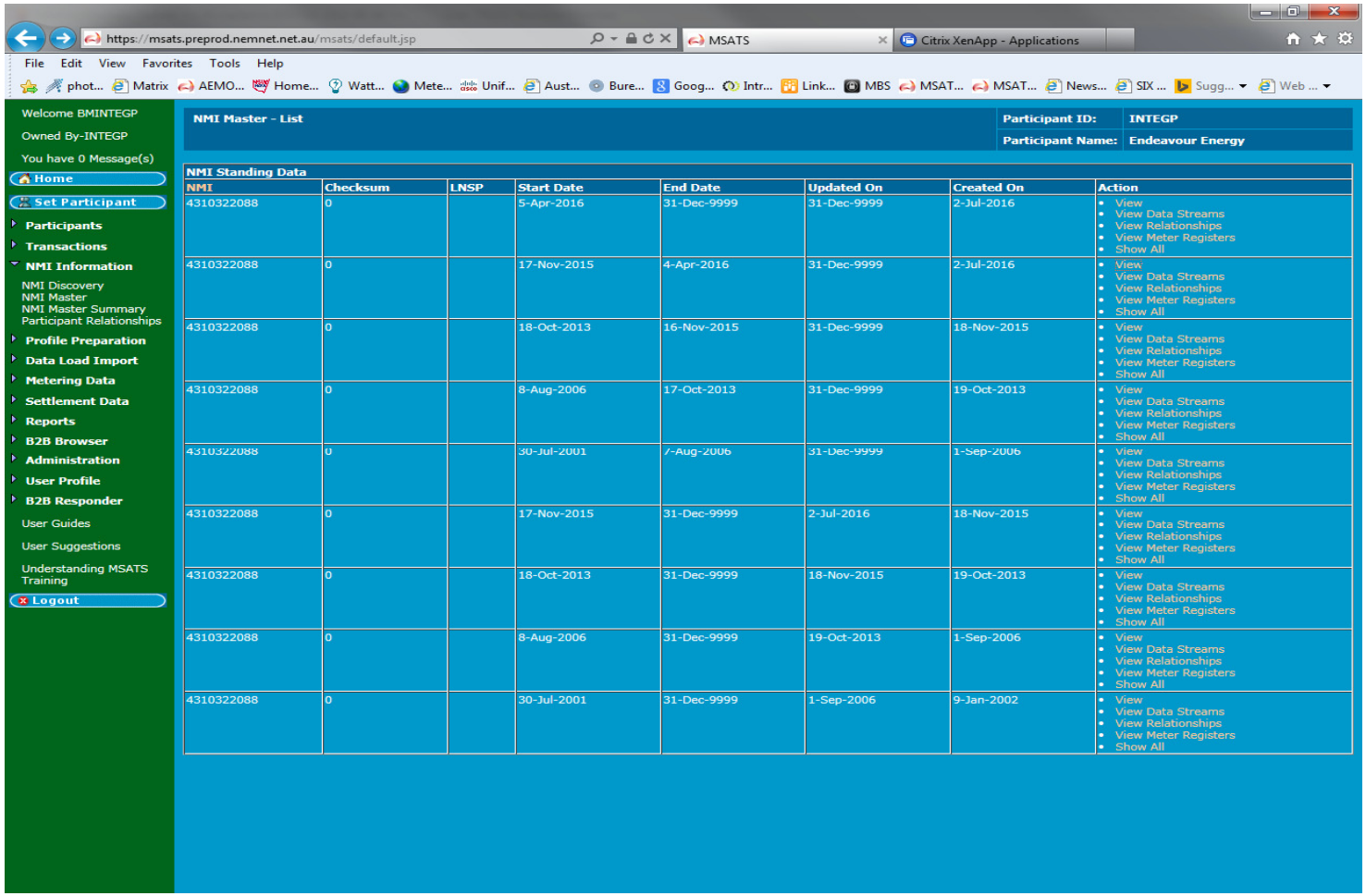
Appendix A - supporting information for feedback on clause 10 of MSATS Procedures: National Metering Identifier



This transaction contains an update to the lot number of the address and the Customer Threshold Code was changed to Medium.

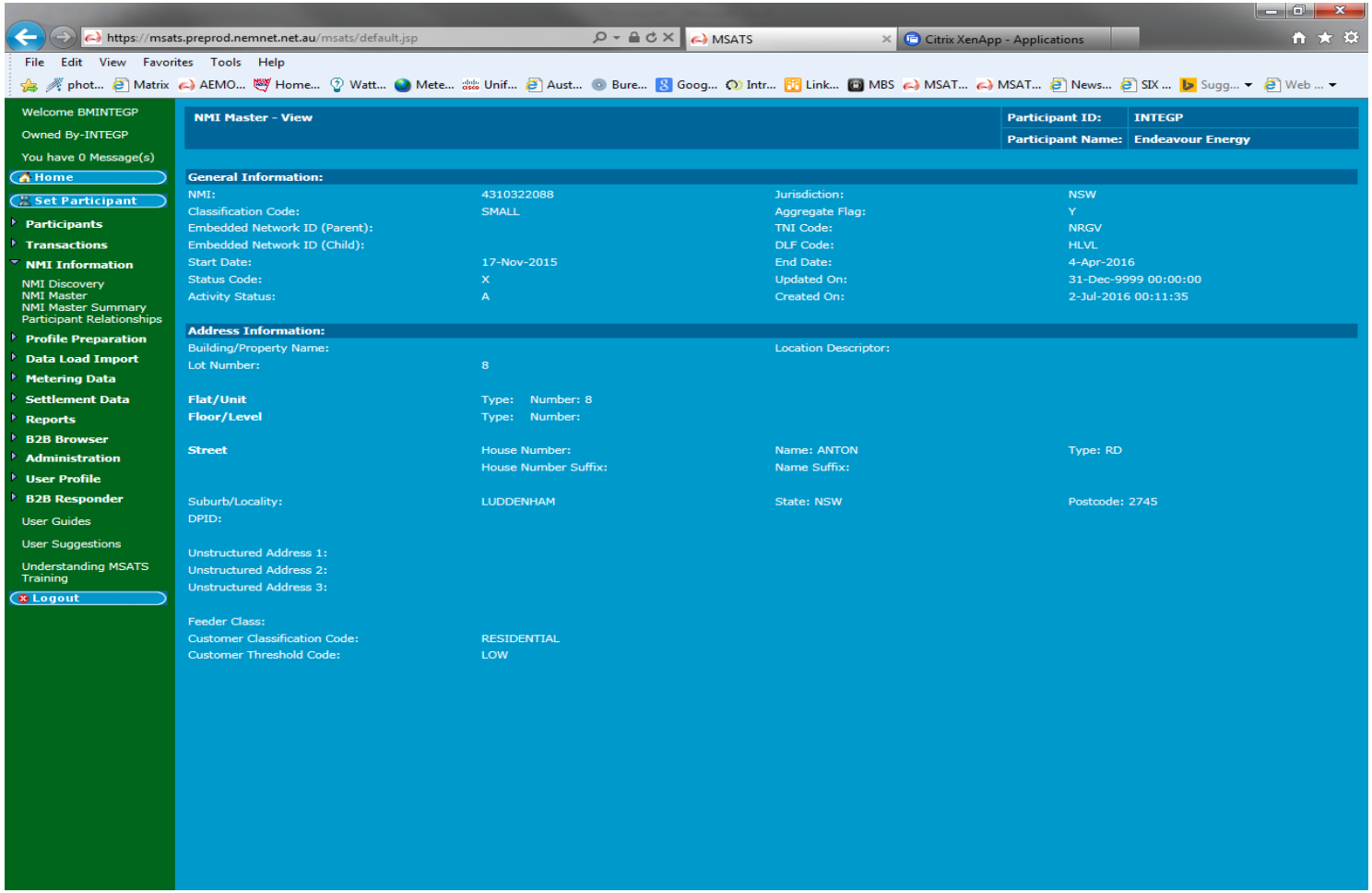


NMI Discovery shows the updated data while the NMI status is extinct.

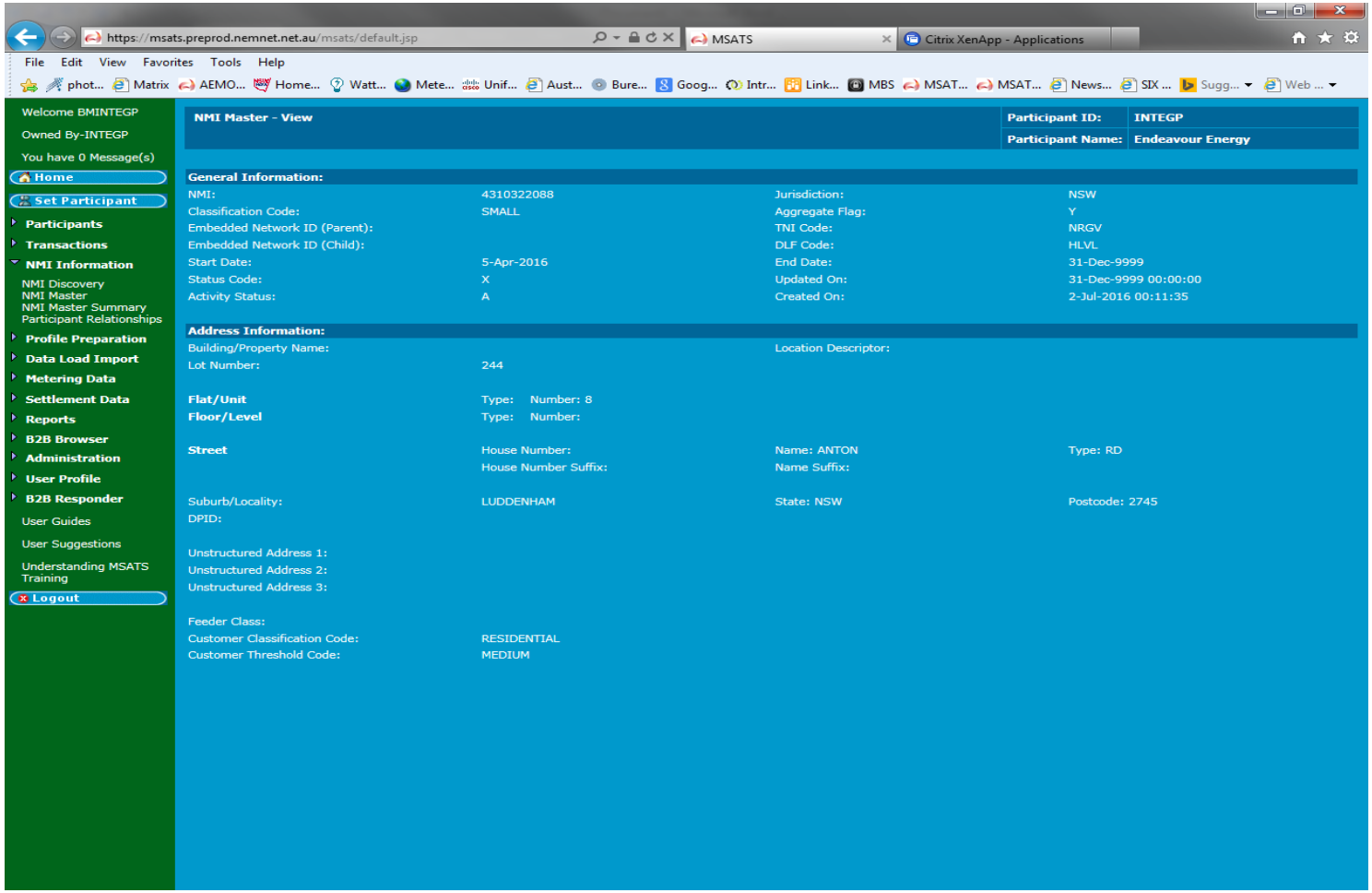


NMI	Checksum	LNSP	Start Date	End Date	Updated On	Created On	Action
4310322088	0		5-Apr-2016	31-Dec-9999	31-Dec-9999	2-Jul-2016	View, View Data Streams, View Relationships, View Meter Registers, Show All
4310322088	0		17-Nov-2015	4-Apr-2016	31-Dec-9999	2-Jul-2016	View, View Data Streams, View Relationships, View Meter Registers, Show All
4310322088	0		18-Oct-2013	16-Nov-2015	31-Dec-9999	18-Nov-2015	View, View Data Streams, View Relationships, View Meter Registers, Show All
4310322088	0		8-Aug-2006	17-Oct-2013	31-Dec-9999	19-Oct-2013	View, View Data Streams, View Relationships, View Meter Registers, Show All
4310322088	0		30-Jul-2001	7-Aug-2006	31-Dec-9999	1-Sep-2006	View, View Data Streams, View Relationships, View Meter Registers, Show All
4310322088	0		17-Nov-2015	31-Dec-9999	2-Jul-2016	18-Nov-2015	View, View Data Streams, View Relationships, View Meter Registers, Show All
4310322088	0		18-Oct-2013	31-Dec-9999	18-Nov-2015	19-Oct-2013	View, View Data Streams, View Relationships, View Meter Registers, Show All
4310322088	0		8-Aug-2006	31-Dec-9999	19-Oct-2013	1-Sep-2006	View, View Data Streams, View Relationships, View Meter Registers, Show All
4310322088	0		30-Jul-2001	31-Dec-9999	1-Sep-2006	9-Jan-2002	View, View Data Streams, View Relationships, View Meter Registers, Show All

NMI master list shows the new record was created on 2 July 2016.



NMI master view with an end date of 4 July 2016 shows previous standing data set.



NMI master view with a start date of 5 April 2016 shows the updated standing data.