INFORMATION PAPER

POWER OF CHOICE:
PREPARATION FOR THE CONSULTATION ON AEMO PROCEDURES FOR PUBLICATION ON 19 MAY 2017.

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AEMO
AUSTRALIAN ENERGY MARKET OPERATOR

CONTENTS

INTRODUCTION

AEMO has developed and amended procedures to fulfil its obligations resulting from the following amendments to the National Electricity Rules (Amending Rules):

- National Electricity Amendment (Expanding Competition in Metering and Metering Related Services) Rule 2015 No. 12 (Metering Competition);
- National Electricity Amendment (Embedded Networks) Rule 2015 No. 15; and
- National Electricity Amendment (Meter Replacement Processes) Rule 2016 No. 2.

The amendments to procedures were published in two packages:

- Package 1, published on 31 August 2016, included the development of, or amendments to procedures including:
    - MSATS Procedures
    - Metrology Procedures
    - Service Level Procedures (MDP and MP)
- Package 2, published on 28 February 2017, included the development of, or amendments to procedures including:
    - Qualification Procedure
    - Exemption Procedure: Metering Installation Malfunctions
    - Service Level Procedures (ENM)

Following the publication of procedures in Packages 1 and 2, AEMO has identified the need to make a number of minor amendments to those procedures, such as corrections to table references and the removal of superfluous text. In addition to those minor amendments, a number of matters have come to AEMO's attention of a more material nature, through a combination of internal review, consultative workshops and correspondence with interested parties, including:

- Procedural issues that are seen as unnecessarily restrictive;
- Alignment of procedures released in Package 1 with corresponding changes in procedures released in Package 2;
- Removal of redundant legacy provisions in procedures; and
- Issues regarding the requirement to specify when an existing metering installation that is to be replaced by an MC may be a 'network device'.

These issues have informed AEMO's consideration of the proposed scope and detail of any further changes to procedures. This information paper presents AEMO's initial position on these matters and summarises the views of stakeholders where applicable.

In addition to amendments to procedures, there are a number of AEMO guidelines that are either being developed or amended in support of the Amending Rules. AEMO has received feedback on the draft of the Exemption Guideline: Small Customer Metering Installation, a draft of which was circulated for comment in October 2016, and the final version of this Guideline is discussed further in this paper.

AEMO's position, as described in this information paper, will be reflected in the procedure drafting where appropriate. While AEMO is not consulting on this document, the draft procedures themselves will be subject to consultation.

The target date for release of the procedure pack associated with this consultation is 19 May 2017; the final publication of the procedures being due by 30 November 2017. The Exemption Guideline: Small

Customer Metering Installation is due to be published alongside all other AEMO guidelines that require development or amendment as a result of the Amending Rules, on 2 June 2017.

1. METROLOGY PROCEDURE CHANGES

1.1 Jurisdictional Matters

1.1.1 Context

Clause 7.16.4 of the NER allows for jurisdictional metrology material to be included in the Metrology Procedure. Jurisdictional metrology material can only be proposed for inclusion in the Metrology Procedure by the Ministers of the MCE (usually via the Council of Australian Government, COAG).

Jurisdictional metrology material relates to Type 5, 6, and 7 metering installations and alters the application of the Metrology Procedure for a jurisdiction. Examples include the definition of the 'x' and 'y' values used for the definition of Type 5 and 6 metering installations and metering reversion policy.

The jurisdictional metrology material in the Metrology Procedure needs to be reviewed for the following reasons:

- the material is not consistent with the Amending Rules;
- defined terms used (e.g. metering data and energy data) have changed, and the material is inconsistent with these new definitions;
- some of the jurisdictional metrology material is redundant, and needs to be removed or resubmitted;
- names of statutory bodies have changed and need to be updated; and
- some of the jurisdictional metrology material dates back to the establishment of the harmonised metrology procedure work, and needs to be reviewed for continuing relevance.

1.1.2 Stakeholder Feedback

AEMO has been informed that the jurisdictions will complete their reviews of jurisdictional metrology material and submit their change request(s) in due course, but that this will not occur in time for AEMO include in the Package 3 consultation, which will conclude prior to 1 December 2017 (the effective date for the Amending Rules).

1.1.3 AEMO Position

No changes can be proposed and until future notice, the jurisdictional metrology material will remain in its original, unedited form.

1.2 Network Device Management

1.2.1 Context

Clause 7.8.6 of the NER introduced 'network devices' to Chapter 7. These are apparatus or equipment that enables an LNSP to monitor, operate or control the network for the purposes of providing network services, which may include switching devices, measurement equipment and control equipment. Network devices could include a range of specifically power system related devices, such as controlled load profile sample meters and Victorian AMI metering installations (under the clause 9.9C derogation).

The Amending Rules require procedures to be developed that:

- specify when an existing metering installation that is to be replaced by an MC may be a 'network device';
- apply when 'network devices' are installed or removed, including the return of the 'network device' to the LNSP; and
- apply to notifications to be given in respect of activities which affect 'network devices' or metering installations and the provision of records.

As required by the Amending Rules, AEMO published procedures for 'network devices' in section 12.2 of Metrology Procedure: Part A, as part of the Package 1 procedure changes.

With specific regard to the first point, (how to identify various network assets and when they may or may not be a Network Device) AEMO considered it reasonable for network assets to be removed and returned to the owner in all circumstances where an agreement has been reached between the MC and the LNSP to do so[1], or where the network asset is not required to monitor, operate or control the network for the purposes of providing network services such as:

- where the 'network device' provides a control service to facilitate the application of a network tariff at the NMI, such as the control of a hot water load, and where that control service is made obsolete as a result of a meter churn; and
- a switching service to facilitate the application of a network tariff at the NMI, such as a timeclock, time switch or ripple controller used to change the register on a multi-register meter, and that switching service is made obsolete as a result of a meter churn.

The AEMO view was presented at workshops in the development of the Package 1 procedure changes and was generally well supported.

Section 12.2.1 of Metrology Procedure: Part A was drafted accordingly and, following consultation, was published on 31 August 2016.

1.2.2 Stakeholder Feedback

Subsequent to its publication, Energy Networks Australia (ENA) raised a number of concerns about section 12.2.1. In summary, the concerns raised by the ENA are as follows:

1. **Definition of when a metering installation may be a Network Device**

   ENA considers that the AEMO procedures, which specify when an existing metering installation that is to be replaced by an MC may be a 'network device' (as required by 7.8.6(i) of the NER), redefine what may or may not be a 'network device' and that this is not appropriate due to the clarity of the definition provided in the NER.

2. **When a network asset should and should not be removed**

   ENA considers that the NER provides the right for the NSP to determine if a 'network device' is required, that the Metrology Procedure does not need to provide further clarification regarding removal and that a network asset should only be removed under the conditions described by the NER, or when the LNSP confirms that the device is obsolete:

   Further information was provided in support of this position, including:

[1] AEMO notes that there are provisions in clause 7.8.6(f) of the NER for the MC to remove a 'network device' without an LNSPs consent, e.g. if it is seeking to install a revenue meter but there is inadequate space to do so without removing the network meter.

a. The MC cannot presume the existing service value of the asset to the NSP. The Amending Rules clearly provide for the NSP to determine its need for a network asset, subject to explicit and limited exemptions.

b. The MC cannot presume the future service value of the asset to the NSP. An NSP may regard an asset as providing optionality for future services.

c. The Metrology Procedure relies on the MC making subjective assessments about whether a network asset is obsolete, required for a current or future network service or whether its functions can be equivalently provided by the MC's own device.

3. **Return of removed network assets**

   ENA considers that unless the LNSP has confirmed that a network asset is obsolete, or needs to be removed as there is insufficient space, it should be removed and returned in accordance with section 3.2(b) of the Service Level Procedure: Metering Provider Services and that the Metrology Procedure should not interfere with that obligation.

As a result, ENA has requested that AEMO consider redrafting section 12 of the Metrology Procedure: Part A in order that the Metrology Procedure no longer specifies when an existing metering installation that is to be replaced by an MC may be a 'network device'.

1.2.3 AEMO Position

The Amending Rules (clause 7.8.6(f)) provides for the MC or MP forming a reasonable opinion on whether to remove a 'network device' without the consent of the LNSP. This would include, but is not limited to, a situation in which the 'network device' was removed due to lack of available space.

The effect of the requirements for 'network devices' as published in section 12.2.1 of the Metrology Procedure: Part A is simply that network assets that are rendered obsolete as a result of a meter churn are removed, returned to their owner and the metering installation is 'made good'. Removal of obsolete network assets in these cases provides for:

- A common practice for the removal of network assets made obsolete as a result of a meter churn;
- The removal of any ongoing liabilities regarding the maintenance of the electrical connections and condition of the network asset, from the DNSP;
- Return of the network asset to the DNSP for potential refurbishment and reuse;
- The avoidance of the administrative and legal burden on the DNSP of establishing agreements with MCs in the event that the DNSP does wish to have obsolete network assets removed and returned; and
- The removal of extraneous legacy electrical equipment in the vicinity of the End User's metering installation.

Having considered a broad range of configurations and types of network asset typically found at a metering installation, AEMO does not consider that there is ambiguity regarding the situations in which a network asset would be rendered obsolete as a result of a meter churn.

Conversely, the effect of removing the requirements in section 12.2.1 of the Metrology Procedure: Part A is that every 'network device' made obsolete as a result of meter churn must be retained adjacent to the metering installation and left in an operational state, unless:

- The LNSP and the MC have agreed to remove it; or
- The MC or MP determines to remove it in accordance with clause 7.8.6(f) of the Amending Rules.

Examples are provided below for illustrative purposes[2]:

Type of network asset	Scenario	Effect of section 12.2.1 of Metrology A	Effect of removing section 12.2.1 of Metrology A
Victorian AMI metering installation	An MC intends to perform a meter churn at a metering installation where a Victorian AMI metering installation is in place.	A meter installed during the Victorian AMI program prior to 1/12/17 will, in all cases, be treated as a 'network device' and is unaffected by 12.2.1.	No change or impact.
An asset installed by the DNSP after 1/12/17 as a 'network device'	An MC intends to perform a meter churn where an asset has been installed as a 'network device' by the LNSP, after 1/12/17.	As provided in clause 7.8.6(a) of the NER, this device will, in all cases, be treated as a 'network device' and is required to be retained in an operating state, unless the LNSP has an agreement with the MC to the contrary. Such a device will not be part of the metering installation.	No change or impact.
Load control device - time clock (mechanical or electronic stand-alone asset)	The load being controlled by the time clock is being removed and the network tariff is changing accordingly (for example, a customer is changing their electric hot water system to a gas hot water system).	The time clock will not be treated as a 'network device' and the MC is required to remove the now obsolete asset and return it to the LNSP.	Unless the LNSP has agreed with the MC that the MC can remove the time clock, the MC must leave it in-situ, in a live state. Such a device will no longer be part of the metering installation.
Load control device - time clock (mechanical or electronic stand-alone asset)	An MC intends to perform meter churn where there is load control and the existing network tariff and need for load to be controlled is required post meter churn. The new metering installation has the capability to switch load and can support the requirements of the network tariff without needing to retain the existing time clock.	The time clock will not be treated as a 'network device' and the MC is required to remove the now obsolete asset and return it to the LNSP.	Unless the LNSP has agreed with the MC that the MC can remove the time clock, the MC must leave it in-situ, in a live state. Such a device will no longer be part of the metering installation and it will no longer be switching any load.
Load control device - remotely controlled switching device	An MC intends to perform a meter churn where a load control device is in place, exclusively to provide the	Such a device will, in all cases, be treated as a 'network device' and is required to be retained in an	No change or impact.

[2] All scenarios assume that neither the MC nor the MP have determined to exercise their right to remove the network asset as provided in clause 7.8.6(f) of the Amending Rules.

(including ripple relay receiver, tele switch and pilot wire system)	LNSP with the ability to control a load(s) as a form of 'emergency control'.	operating state, unless the LNSP has an agreement with the MC to the contrary.	
Load control device - remotely controlled switching device (including ripple relay receiver, tele switch and pilot wire system)	The load being controlled by the remotely controlled switching device is being removed and the network tariff is changing accordingly (for example, a customer is changing their electric hot water system to a gas hot water system) and there is no explicit requirement for the LNSP to control a load(s), such as a form of 'emergency control'.	The remotely controlled switching device will not be treated as a 'network device' and the MC is required to remove the now-obsolete asset and return it to the LNSP.	Unless the LNSP has agreed with the MC for the MC to remove the switching device in this situation, the MC must leave it in-situ, in a live state. Such a device will no longer be part of the metering installation.

AEMO considers that the only participants who may be materially impacted by removing section 12.2.1 of Metrology Procedure: Part A would be the LNSPs. Whilst MCs and MPs may have to make amendments to their processes and procedures, the effect of removing section 12.2.1 would be to lessen the burden placed on them by the Metrology Procedure; their ability for to remove 'network devices' without the LNSPs' consent as contemplated in clause 7.8.6(f) of the Amending Rules is unaffected.

MCs and LNSPs may establish agreements for the removal and handling of obsolete network assets, but any such arrangements would be unaffected by AEMO's procedures.

Therefore, as the potential risks and costs associated with removing section 12.2.1 appear to reside only with members of the ENA, and the ENA appears to accept those risks and costs and AEMO has identified no material risk to the management of AEMO's obligations under the NER, and removal of section 12.2.1 will lessen the burden on MCs and MPs (noting the MC's rights under clause 7.8.6(f) are unaffected), AEMO proposes to replace section 12.2.1. with the following:

> *"AEMO does not consider there to be any circumstances where it is necessary for AEMO to deem certain devices on a network to be network devices, for the purposes of clause 7.8.6 of the NER."*

1.3 Meter Churn

1.3.1 Context

The process for triggering a meter churn is changing as a result of the Amending Rules.

As required by the Amending Rules, AEMO published procedures governing meter churn in section 11 of Metrology Procedure: Part A.

From 1 December 2017, the Current MC initiates a meter churn. For example, a Current MC may do this to:

- ensure compliance with the NER; or
- meet the requirements of contractual relationships with retailers or large customers.

1.3.2 Stakeholder Discussion

A number of queries were raised by interested parties regarding the arrangements for meter churn as a result of the Amending Rules, in particular regarding the ability for a participant other than the Current MC to initiate a meter churn.

1.3.3 AEMO Position

For clarity, AEMO can confirm the following:

- clause 7.3.1(a) (1) of the NER states that, in respect of a connection point, the MC is the person responsible for the provision, installation and maintenance of a metering installation; clause 7.3.2(e) specifies that the MC at a connection point (other than a type 7) must ensure, amongst other things, that the metering installation is provided, installed and maintained in accordance with the NER and procedures authorised by the NER.
- Furthermore, clauses 7.3.2(a) & (b) specify that the MC at a connection point must appoint an MP for the provision, installation and maintenance of the metering installation or, subject to the Metrology Procedure, appoint an MP for the provision and maintenance of that installation and allow another person to appoint an MP to install the metering installation. The MC for that connection point remains responsible for the installation of the metering installation.
- Finally, clause 7.8.9 reinforces the requirement that a meter churn can only be initiated by the Current MC.

The Amending Rules clearly allocate responsibility for the installation of metering installations on the Current MC. An incoming MC cannot initiate a Meter Churn as they are not responsible for the connection point until they become the Current MC.

No changes are proposed to be made to AEMO procedures regarding Meter Churn.

2. MSATS PROCEDURES

2.1 Objection Codes - NECF

2.1.1 Context

The MSATS Procedures provide a range of Objection Codes that participants can use to object to Change Requests. The list of available Objection Codes and their corresponding descriptions are provided in section 4.7 of the CATS Procedure (published on 31/8/16). Various sections of the MSATS Procedures detail which codes can be used for each Change Request type.

On 1 July 2015, The National Energy Customer Framework (NECF) was introduced in Queensland. As a result of this change, a number of matters covered by Queensland specific instruments, including industry codes, were superseded by NECF. Any Objection Codes and corresponding rules that were specifically derived from a Queensland instrument became obsolete with the introduction of NECF.

2.1.2 AEMO Position

Prior to adopting the NECF, pursuant to the Queensland governments' objection code guidelines 2003 as then published on the Department of Employment, Economic Development and Innovations' website, Queensland allowed objection for debt and termination prior to the contract end date.

AEMO considers that changes to two Objection Codes are required as a result of Queensland's adoption of NECF:

- **DEBT** – No longer applicable in Queensland, this Objection Code will only remain applicable in Victoria. Objections for debt are only explicitly permitted in Victoria; and the NECF is silent on allowing objections for debt.
- **CONTRACT** – This would no longer apply for FRMP transfers in Queensland, where the transfer is sought prior to the termination or end date of a term contract for the supply of electricity.

AEMO has been unable to identify a derogation or a provision in the Queensland NECF Application Act or Regulations that would enable these Objection Codes to remain for use in Queensland.

Whilst not directly initiated as a result of the Amending Rules, AEMO proposes to take this opportunity to align the MSATS Procedures with the change to these arrangements in Queensland that occurred in 2015. AEMO notes that whilst the MSATS Procedures do not currently reflect the 2015 change, participants in Queensland should already be operating in accordance with NECF and no longer be using these Objection Codes as described above.

2.2 Role Changes in MSATS CATS

2.2.1 Context

The MSATS Procedures facilitate changes in participant roles at NMIs via a range of change request (CR) codes. Each CR has its own purpose and set of rules and conditions. There are two series of CR codes that deal with role changes specifically, the 1000 series and 6000 series.

AEMO published an amended CATS Procedure on 31/8/16 to meet the requirements of the Amending Rules, which included changes to the 1000 and 6000 series of CRs.

2.2.2 Stakeholder Discussion

Subsequent to the publication of the amended CATS Procedure, AEMO received some queries in relation to the 1000 and 6000 series and a workshop was arranged to facilitate discussion on this topic in February 2017.

The meeting concluded with one action, that AEMO clarify whether the Current FRMP is able to nominate all provider roles (MC, MP and MDP) with a 6800 CR and have those roles become effective at a NMI on the same day as the day in which a meter churn is undertaken at the associated metering installation.

AEMO published a notice following the workshop in February on 28/3/17 which stated that AEMO proposed the following:

> "….the incoming retailer should be able to raise CR6800 to appoint all the roles of MC, MP and MDP and for their appointment to be effective after the day the market load transfers in accordance with NER 7.8.9(e)(1). AEMO proposes to make the changes to CR6800 in the MSATS Procedures as part of Work Package 3 (As Built)."

This response from AEMO led to a number of issues being raised by participants including, in summary:

1. Whether the original question resulting from the February workshop had been answered by AEMO;
2. The lack of workability of the changes to CR 6800 proposed by AEMO in the notice; and
3. Why matters resolved following the Package 1 consultation appear to be being re-opened by AEMO for further debate.

Other matters regarding meter churn were raised in relation to role changes.

2.2.3 AEMO Position

Whilst changes to participant roles in MSATS may be triggered as a result of a meter churn, it is important to not conflate these topics. They should be viewed independently, as they are considered in this way in the Amending Rules and AEMO procedures. However, in order to answer the questions posed by participants, matters relating to meter churn are dealt with here also.

Further changes to the Package 1 procedures, and in particular, the MSATS Procedures, ahead of the effective date of the Amending Rules has the potential to require system and process changes over a limited period of time. AEMO considers that for a change to be made to the Package 1 procedures, it must be a critical change, the absence of which would disable or unreasonably restrict a participant from complying with the Amending Rules.

With this in mind and upon review of the action taken by AEMO at the February workshop and the subsequent notice regarding the 6800 CR, AEMO can confirm the following:

- With regard to the point of clarification requested from AEMO at the February workshop:
    - The amended MSATS Procedures (published on 31/8/16) do facilitate the ability for the Current FRMP to raise a 6800 CR to appoint the MC, MP and MDP;
    - In the scenario provided at the workshop, a meter churn could only be conducted on the same day that the roles proposed in a 6800 CR become effective, if the Current MC, i.e. the one who will cease to be MC for a NMI when the 6800 CR completes, initiated the meter churn (The person who is to become the MC when the 6800 CR completes would not have been able to initiate a meter churn on that day because they would not have been the Current MC at the point of meter churn initiation).
- With regard to the notice published on 28/3/17 by AEMO, subsequent to the February workshop:
    - AEMO no longer proposes to make changes to the 6800 CR as previously stated in notice;
    - AEMO considers that the MSATS Procedures meet the requirements of the Amending Rules and that the change proposed in the notice is both an unnecessary change, impacting on system and process design at a late stage in preparation for the effective date of the Amending Rules, and moreover is impractical due to the broader requirements for the management of the 1000 CR series and objection codes in the MSATS Procedures.

AEMO has identified that the 6300 CR, which is used to change the MC role at a NMI, appears to be unreasonably restrictive, in that it can only be raised by a New MC and that it requires the MDP to provide the actual change date via a 1500 CR. AEMO considers that it is reasonable for the Current FRMP to be able to change the role of MC by using the 6300 CR in addition to the New MC, and that the involvement of the MDP in the 6300 CR is unnecessary. AEMO does not consider that making such a change to the 6300 CR will enforce a system change on participants ahead of the implementation date of the Amending Rules, rather it will provide another option for FRMPs and MCs to change the MC role at a NMI, in addition to the existing 1000 series CRs and the 6800 CR, and in the case of the 1500 CR, will remove an unnecessary burden on MDPs

Therefore, and subject to consultation, AEMO proposes to amend the MSATS Procedures to:

- allow the Current FRMP to raise 6300 CRs to change the MC role, in addition to the New MC; and
- remove the need for the MDP to initiate a 1500 CR to provide the actual change date for a 6300 CR.

2.3 Impacts of making NMIs extinct when moving to an Embedded Network

2.3.1 Context

As part of the Package 2 procedure changes, AEMO amended procedures to include the movement of a metering installation from an LNSP's network to an embedded network and vice versa in the list of conditions that require the extinction of a NMI.

AEMO highlighted at the time that requiring the extinction of NMIs when transitioning to or from an embedded network may require consequential changes to be considered in other procedures in Package 3, including:

- MSATS CATS and WIGS procedures:
    - Potential removal of CRs related to 'Make the NMI a child NMI'; and
    - Review the NMI Status Code or other identifier to be applied by the LNSP and ENM when making a NMI extinct as a result of a move to or from an embedded network (such as applying a NMI Status Code of "T" for transfer to an embedded network).
- Meter Data Provision Procedures (MDPP):
    - As the MDPP is predicated on the current requirements to retain a NMI upon change of LNSPs, AEMO will need to consider whether changes to the MDPP is required to ensure that the proposed extinction of the NMI for embedded networks in the draft procedure does not materially disadvantage customers who wish to obtain their metering data for a period of time which includes their transition to or from an embedded network.

2.3.2 AEMO Position

AEMO has considered potential impacts to procedures resulting from the extension of the list of conditions that require the extinction of a NMI to include the movement of a metering installation from an LNSP's network to an embedded network and vice versa, including specifically reviewing matters relating to MSATS and MDPP.

AEMO can confirm the following:

- AEMO proposes, subject to consultation, to disable CRs 5090 and 5091 ("Make NMI A child NMI") and remove them from the MSATS Procedures. These CRs were specifically designed to manage the transfer of a NMI from an LNSP network to an embedded network and are therefore redundant.
- No other changes to procedures are proposed as no material impacts to the customer or Market Participants have been identified as a result of the extinction of the NMI when moving to or from an embedded network.

3. GUIDELINES

3.1 Small Customer Metering Installations - Exemption

3.1.1 Context

AEMO has drafted an Exemption Guideline for Small Customer Metering Installations to set out the process by which a Current MC may apply for an exemption from the requirement in clause 7.8.3(a) of the Amending Rules to ensure that any new or replacement metering installation at the connection point of a small customer is a type 4 metering installation that meets the minimum services specification, permitting the Current MC to install a type 4A metering installation.

A draft of this guideline was circulated for comment in October 2016.

3.1.2 The Stakeholder Discussion

Queries and requests for clarification have been received by AEMO since the publication of the draft guideline. These include:

- Can the evidence required by a Current MC seeking to obtain an exemption regarding obtaining access to a telecommunications network be restricted to mobile phone telecommunication network coverage only, rather than any other form of telecommunications network?
- Will a Current MC be able to apply for 'blanket exemptions' in respect of NMIs in geographical areas where there is no telecommunications network?
- Is the Current MC required to install communications modems in metering installations installed as type 4A as a result of obtaining an exemption?
- Can AEMO clarify what evidence is required to demonstrate the lack of telecommunications network coverage (including blackspots within areas that otherwise appear to have an available telecommunications network)?

An underlying concern expressed in relation to the requirements in the Amending Rule for the establishment of communications at a small customer metering installation was the predicted high cost of establishing communications via networks other than publically available mobile phone networks. Similar feedback was received regarding the cost of installing communications modems in type 4A metering installations.

3.1.3 AEMO Position

The scope for AEMO to provide an exemption for the installation of a type 4A metering installation is strictly limited to that provided by clause 7.8.3(a) of the Amending Rules. There is no basis for AEMO to provide an exemption for the installation of a type 4A metering installation other than as provided by this clause.

For clarity, the only matter AEMO is required to consider when determining a Current MC's application for exemption is whether a Current MC has demonstrated to AEMO's reasonable satisfaction that there is no existing telecommunications network which enables remote access to the metering installation at the connection point concerned.

The costs associated with the installation of metering, establishment of remote communications and the installation and any maintenance to communications modems are not a consideration for AEMO when determining whether a Current MC has demonstrated that there is no existing telecommunications network which enables remote access to a metering installation. These matters were all considered by the AEMC when drafting the Amending Rules. With specific regard to the question whether MCs are required to install communications modems at type 4A metering installations, AEMO can confirm that

MCs will have to determine how they intend to comply with the requirements of clause 7.8.4(b) of the Amending Rules, regarding the capability of a type 4A metering installation when activating remote access is required.

Having considered the feedback from Participants regarding the published draft of the guideline, AEMO intends to amend the final version of the guideline to include the following:

- Multiple NMIs per exemption application:
    - AEMO acknowledges that it may be inefficient for both the applicant and AEMO to limit the application to one NMI per application. If, for example, a Current MC is installing metering installations at several new connections, all of which are affected by the same conditions, it is reasonable for those metering installations to be the subject of one application, however, any exemption provided to the Current MC would be done so on a connection point by connection point basis.
    - MCs may provide evidence of telecommunications network coverage to AEMO in advance of any application, rather than submitting the same evidence for multiple applications. For example, if an MC is operating in a large geographic area that has limited availability of telecommunications networks, or known black spots, evidence demonstrating this may be provided to AEMO in anticipation of a need to gain an exemption in the future, and updated by the Current MC when conditions change. In such circumstances, the evidence previously provided to AEMO can be referenced in an application.
- Environmental and physical restrictions
    - In addition to circumstances where a Current MC can provide evidence that no telecommunication exists within the vicinity of the connection point, there may be circumstances where a telecommunications network does exist but the Current MC is not able to connect to the network due to environmental or physical restrictions.
    - A Current MC applying for an exemption due to physical or environmental restrictions preventing the Current MC in obtaining access to a telecommunications network, would need to provide evidence of the same. For example, recorded details of signal strength taken at the connection point may be provided as quantitative evidence of such a situation.
- Telecommunications networks
    - Clause 7.8.4(a) of the Amending Rules specifically refers to 'telecommunications networks' as that term is defined within Chapter 10 of the NER (being a telecommunications network that provides access for public use or an alternate telecommunications network that has been approved by AEMO for the *remote acquisition* of *energy data*). The Amending Rules to do not provide AEMO with the power to limit the application of 7.8.4(a) to mobile telecommunications networks.
    - Consistent with the draft guideline, AEMO remains of the view that satellite communications are not commonly available to the public and are therefore not relevant when considering the basis for an exemption in accordance with clause 7.8.3(a), as they are not covered under the Chapter 10 definition of 'telecommunication networks'[3].
- Timing of applications
    - The Current MC may apply for an exemption prior to installing any metering installation. This may include multiple NMIs in one application as previously described in this paper.

[3] The definition of 'telecommunications networks' in Chapter 10 of the NER includes an alternate telecommunications network that has been approved by AEMO for the remote acquisition of energy data. This could include a telecommunications network that transmits data via satellite, however, AEMO has not approved any such alternate telecommunications network.

- An exemption is personal to the applicant and does not transfer to a new MC. In cases where there is a change in MC, an incoming MC may apply for an exemption retrospectively to be applied from the date on which they became the Current MC, providing that the application is received by AEMO within 5 business days of their becoming the Current MC at the NMI, and that no material changes have occurred to conditions for establishment of remote access at the connection point.
- The Current MC may also apply for an exemption to be applied retrospectively from the date on which the metering was installed, providing that the application is received by AEMO within 5 business days of the installation of the metering installation.