

**Information Exchange Committee**C/ - IEC Secretariat – AEMO Ltd

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Information Exchange Committee (IEC) Annual Report
Period ending 31 December 2018

1. **INTRODUCTION**

Under the National Electricity Rules (NER), the Information Exchange Committee (IEC) is responsible for developing, consulting, and making recommendations on changes to the electricity retail market B2B Procedures. The Committee and its B2B Working Group (B2BWG) respond to reform initiatives affecting the operation of B2B Procedures in the electricity retail market, and initiate specific, continuous improvement programs to enhance retail market B2B business processes.

Under the NER, each calendar year the IEC is required to develop an Annual Report covering:

* A review of the performance of the IEC function during the year, including significant issues considered, work undertaken and the IEC Work Programme and status of that work;
* Details of changes to B2B Procedures, the reason for those changes and an assessment of the impact of those changes;
* Outline the key priorities and strategic objectives for the future; and
* An indicative schedule of meetings for the upcoming year and an indicative plan of key deliverables for the upcoming year.

This report summarises key accomplishments for 2018 and looks forward to the major themes for 2019.

1. **ACCOMPLISHMENTS AND ACTIVITIIES FOR 2018**

2018 has been a both a strategically important, and challenging year. With the implementation of the Power of Choice (PoC) framework on 1 December 2017, participants needed to work together collaboratively to make the significant adjustment that resulted from a new metering participant category and wide-reaching changes in obligations across all electricity market participants. Refinement of the PoC B2B procedural framework will also continue during 2019 (Section 2.3).

In addition to the ongoing refinement of PoC operationally, there were a number of other significant determinations finalised and consultations initiated by the Australian Energy Market Commission (AEMC) which have had, and will continue to have a significant impact on the B2B forward work program. These included:

* Finalisation of the Life support rule change;
* Finalisation of the Five Minute Settlement (5MS) rule change, and consultation on Global Settlements; and
* Consultation on changes to metering installation timeframes that were initially introduced by PoC.

The Commonwealth Government also continues development of the Customer Data Rights legislation, which will have significant implications for the energy industry. Greater visibility of these impacts is likely to become known in 2019.

In addition, the IEC’s identification of a need for a review of NMI Standing Data in early 2018 has seen AEMO initiate this review.

For 2018, the key activities and initiatives which the IEC provided leadership on are outlined in the following sections.

* 1. **Life Support Rule Change – development of a B2B procedural solution**

On 19th December 2017 the AEMC published the final version of the Rules for strengthening protections for customers requiring life support equipment. The AEMCs final determination was made in response to a Rule change request submitted by the Australian Energy Regulator (AER), in the context of problems it identified with the current life support provisions. Specifically:

* Some customers requiring life support equipment were not being validly registered to receive protections, putting them at increased risk of harm;
* There was no onus on retailers and distributors to provide customers with information to facilitate registration when notified of the need for life support equipment; and
* Life support registers have grown and become increasingly inaccurate despite mandatory periodic reconciliations.

The final Rule includes a number of new obligations on both retailers and distributors in relation to life support information that is required to be shared. The Rule changes include the provision of:

* Required date when life support is needed or not needed;
* Relevant contact details;
* Life support equipment;
* A de-registration reason if life support is no longer required; and
* A notification advising of life support requirements from the distributor to the retailer where the distributor is the registration process owner.

The IEC were tasked with developing a mechanism to assist participants to meet their obligations in the Rule change. The IEC undertook significant consultations with National Electricity Market (NEM) participants and determined that the most efficient manner to provide a framework for participants was to develop two additional B2B transactions, including:

* One transaction to deliver life support information from one participant to another; and
* A second transaction to request life support information from a participant.

The introduction of two new B2B procedure transactions will provide larger market participants with the option of using a nationally consistent and efficient tool for the management of life support notifications from customers. For these participants it will reduce the cost of managing multiple processes across different jurisdictions.

From a consumer perspective, customers that require life support equipment are among the most vulnerable in the community. A nationally consistent approach was considered to improved certainty by enabling participants access to up-to-date information on customer life support requirements.

This approach was intended to enable market participants to both notify, and be notified of a customer’s life support requirements, and to update other relevant market participants of this in a timely manner. Importantly, the new transactions are clearly defined and auditable and will support compliance by all parties.

This approach also still enables market participants with low volumes of life support transactions to enter into bilateral agreements with relevant parties. There remains work underway between some participants to develop suitable bilateral arrangements to deliver efficient outcomes based on their life support transaction volumes and in-house system limitations.

At the request of the IEC, investigations are also currently underway to determine whether life support information could be better managed as part of NMI Standing data. This is being considered as part of the AEMO NMI Standing Data Review which will be consulted on during 2019.

The new rules relating to life support come into effect on 1 February 2019. AEMO schema and B2B eHub changes will be finalised before 1 February 2019, with industry testing of the new transactions made available to participant in mid-December 2018.

* 1. **Identification of future improvements to the B2B platform**

Given the challenges identified by different participants in implementing B2B schema and transactional changes for life support and other projects, AEMO has committed to working with industry to develop and implement cost-effective changes to improve the flexibility of the low volume interface (LVI) and consider more fundamental changes to the approach currently used to update the B2B schema.

Preliminary discussions between AEMO and interested market participants were initiated in late 2018, with the initial scope of work for the LVI changes to be finalised in early 2019. Any proposed changes will need to be consulted on with participants. This is reflected in the IEC work program for 2019.

* 1. **Power of Choice – Ongoing refinements to the B2B framework**

Noting the tight delivery of the PoC reforms that were implemented on 1 December 2017, the IEC chose to deliver only the required B2B scope for go-live to reduce delivery risk for industry and minimise adverse impacts on consumers.

In order to achieve this, there were a number of additional B2B changes proposed by participants which were descoped for Day 1 delivery. Following finalisation of the life support procedural changes in 2018, the B2BWG commenced a process to review 51 deferred items that were not progressed as part of Day 1 PoC delivery.

A recommendation to the IEC from the B2BWG as to how to manage each of the items is due in early 2019. Based on these recommendations, future changes to B2B processes and procedures (or potentially the addition of new B2B transactions) will be identified with the required Change Proposals lodged with the IEC.

This will result in a future program of B2B consultations with industry. This is reflected in the IEC work program for 2019.

* 1. **Redefining the B2BWG Terms of Reference and ongoing improvements to the procedure change process**

Given the B2BWG Terms of Reference (ToRs) were developed specifically for the PoC Project, the IEC identified there were opportunities to develop updated ToRs which better reflected the forward strategic program of reforms. Given the pace of change in the energy industry, the IEC remains committed to ensuring there is an appropriate and efficient change process to implement procedure changes. Over the last two years, the IEC has been working with AEMO to review the retail procedure change process to facilitate more timely change implementation which balances the need for collaboration and industry consultation with efficiency in identifying the options for change.

The B2BWG is a key part of the IECs approach to improving procedural change processes, and as such, it was identified that the existing PoC ToRs should be refreshed, and a new call for nominations undertaken by the retail, distribution and metering peak bodies.

This process commenced in December 2018 and is anticipated to be finalised in early 2019. The updated ToRs for the refreshed B2BWG will be published on the AEMO website along with the new B2BWG members and the relevant contact details.

The IEC will continue to work with AEMO to improve the B2B procedure change processes.

The IEC wishes to acknowledge the significant contribution of B2BWG members in delivering the ongoing changes to the B2B procedures and framework.

* 1. **Other work during 2018**

At the end of 2018, there were a number of other reviews commencing, including:

* Consideration of B2B changes required to facilitate the requirements of the metering installation timeframes rule change; and
* Review of potential B2B changes required due to the 5MS Project.

These consideration of the impacts of these reviews commenced late in 2018 and will be part of the 2019 IEC program of works.

**IEC acknowledgement of collaborative efforts**

The IEC acknowledges the collaborative efforts of electricity market participants, the B2BWG and AEMO in continuing to identify, develop and deliver the ongoing substantial reforms underway within the sector.

1. **OBJECTIVES AND PRIOIRTIES FOR 2019**

With the delivery of the Power of Choice program, the key focuses for the IEC over the next 12 – 18 months include:

* Implementing the life support rule change B2B procedural solution including any refinements to bilateral arrangements and consideration of life support as part of the NMI Standing Data Review. Greater visibility of the requirements to further support participants with life support transactions will available once the rule change is implemented on 1 February 20109;
* Identification of future improvements to the B2B platform which will involve participants working closely with AEMO and the IEC to review any proposals to change the existing frameworks;
* Redefining the B2BWG Terms of Reference now that PoC has been implemented along with identifying ongoing improvements to the procedure change process;
* Recommendation of procedural changes due to changes introduced by the 5MS Project; and
* Confirmation of the change process to improve the existing NOMW process where there is no read able to be obtained when a meter is replaced;
* Understanding any impacts from the AEMC’s current investigations into metering installation timeframes;
* Understanding any impacts from the ACCC’s development of a recommended framework to deliver the customer access to data legislative undertaking for the energy sector. This matter is currently being considered by the Commonwealth Government and the ACCC;
* Standing Data review: An issue that emerged during the IEC’s development of the B2B procedures during 2017 was whether it was time to review the standing data fields to ensure they remain fit for purpose in an environment with multi-party transactional processes. AEMO is currently developing a scope and will engage with the IEC and industry on this matter during 2018.
* 5MS: in November 2017, the AEMC released its final rule determination proposing to implement 5MS by mid-2021. From 2018, the IEC will work with AEMO and the wider industry to develop and IEC recommendation by mid-2019.

**Appendix A** provides a summary of the IEC roles and responsibilities under Chapter 7 of the National Electricity. **Appendix B** presents an indicative schedule of upcoming IEC meetings for 2017 together with indicative agenda items.

1. **IEC APPOINTMENTS**

Elected members (distributor, retailer, metering and third-party members) are appointed through a voting process. The consumer member, discretionary members and the AEMO member (Chairperson) are appointed by AEMO.

**Appendix C** provides a full list of IEC members during 2018. **Appendix D** provides a summary of member’s attendance at each of the IEC meetings for 2018.

The IEC note that it is not practical for all participants with an interest in retail market operations to be members of the Committee and accordingly undertakes an open and transparent process in relation to Committee functions. Supporting this:

• Meeting packs and minutes are distributed directly via email to the B2B Working Group (B2BWG) members, and broader nominated contacts across registered retailers, distributors and metering companies; and

• Meeting packs and minutes are made available publicly through the AEMO website following endorsement of the meeting minutes by Committee members.

1. **KEY CONTACTS**

Market participants with an interest in the IEC operations or particular agenda items or issues are encouraged to participate. Please contact the IEC Secretariat to discuss your requirements or make suitable arrangements.

Secretariat functions for the IEC are provided by AEMO. The Secretariat may be contacted on IEC@aemo.com.au

Appendix A – IEC roles and responsibilities

Section 7.17 of the National Electricity Rules outline the role and functions of the IEC which includes:

* Development, consultation on, and making of IEC recommendations to AEMO on amendments to the B2B Procedures;
* Management of the ongoing development of the B2B Procedures;
* Establishment of IEC working groups;
* Review and consideration of the work completed by IEC working groups;
* Development, consultation on, and approval of the IEC Work Programme (a program that outlines the development, implementation and operation of the B2B Procedures and other matters incidental to effective and efficient B2B communication);
* Development of amendments to the IEC Election Procedures and Operating Manual;
* By 31 December each year, preparation of an IEC Annual Report which is to be provided to AEMO, by 31 March each year, for publication;
* By 28 February each year, preparation of a draft budget for the following financial year in a form consistent with the budget procedures of AEMO. By
31 March, the IEC is to discuss and provide the budget to AEMO. As part of its budget process, AEMO must advise the IEC of the final budget.

In development new or amended B2B Procedures, the IEC and B2BWG is to take into consideration the B2B Principles and Objectives as outlined in Chapter 10 of the National Electricity Rules. These are outlined below:

* B2B Principles:
1. B2B Procedures should provide a uniform approach to B2B Communications in participating jurisdictions;
2. B2B Procedures should detail operational and procedural matters and technical requirements that result in efficient, effective and reliable B2B Communications;
3. B2B Procedures should avoid unreasonable discrimination between B2B Parties; and
4. B2B Procedures should protect the confidentiality of commercially sensitive information.
* B2B factors (objectives):
1. The reasonable costs of compliance by AEMO and B2B Parties with the B2B Procedures compared with the likely benefits from B2B Communications;
2. The likely impacts on innovation in and barriers to entry to the markets for services facilitated by advanced meters resulting from changing the existing B2B Procedures; and
3. The implementation timeframe reasonably necessary for AEMO and B2B Parties to implement systems or other changes required to be compliant with any change to existing B2B Procedures.

Appendix B – Proposed IEC meeting calendar and work priorities - 2019

| **Proposed Meeting Details** | **Proposed content, decisions or outcomes.**  |
| --- | --- |
| IEC Meeting 14 18 February 2019AEMO Offices & Teleconference | * Priorities for 2019 – Strategy Session (discussion)
* B2B Working Group – Membership update (discussion)
* Finalisation of 2019-20 budget for submission to AEMO
* Finalisation of the Annual Report for 2018 for provision to AEMO for publication
* B2B Working Group – update on deferred PoC transactions (progress report)
* Update on analysis on B2B impacts from 5MS project (discussion)
* Standing Data Review and DER Register Project – update (discussion)
* AEMC Metering Installation Timeframes Rule Change – B2B impacts
* NOMW Change Proposal solution from B2BWG
* Potential options to improve flexibility on the existing B2B platform – update (discussion)
 |
| IEC Meeting 1513 May 2019AEMO Offices & Teleconference | * Mapping the B2B procedure program for the remainder of 2019 (discussion)
* Customer data rights – update (discussion)
* Final recommendation on B2B impacts from 5MS project and close out of 5MS Project legislative requirements for the IEC (discussion / approval)
* Update on DER Program of work (AEMO) – (discussion)
* Standing Data Review and DER Register Project – update (discussion)
* Potential options to improve flexibility on the existing B2B platform – update (discussion)
* B2B Working Group – close out report on deferred PoC transactions (decision)
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| IEC Meeting 1712 August 2019AEMO Offices & Teleconference | * Update on B2B procedure program (for discussion)
* Customer data rights – update (discussion)
* Standing Data Review and DER Register Project – update (discussion)
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| IEC Meeting 1811 November 2019AEMO Melbourne Office (face-to-face) | * IEC Forward Plan 2020 (discussion and noting)
* IEC Annual Report (decision)
* IEC draft budget 2020/21 (decision)
* DER Register go-live (discussion)
* Finalisation of Standing Data Review (discussion)
* Customer data rights – update (discussion)
* Potential options to improve flexibility on the existing B2B platform – update (discussion)
* B2B procedure program – achievements for the year and next steps for 2020 (discussion)
* Review of B2B Working Group Terms of Reference and membership (discussion)
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Appendix C – IEC Members

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| --- | --- | --- |
| **Member category** | **IEC members nominated** | **Appointment period** |
| Chair | Mr John Pittard – AEMO director | 12 months 1 Mar 18 – 1 Mar 19 |
| Distributor  | Mr Peter Price (Executive General Manager – Asset Safety and Performance, Energy Queensland) | 2 years1 Sept 16 – 31 Aug 182 years (renominated and elected unopposed)1 Sept 18 – 31 Aug 20 |
| Retailer | Mr David Markham (Australia Energy Council) | 2 years1 Sept 16 – 31 Aug 182 years (renominated and elected unopposed)1 Sept 18 – 31 Aug 20 |
| Metering | Mr Dean Van Gerrevink (Australian Operations Manager, Vector) | 2 years1 Sept 16 – 31 Aug 18 (did not renominate) |
| Metering | Mr Robert Lo Giudice (Manager, Metering Coordinator and Operations, intelliHUB Group) | 2 years (nominated and elected unopposed)1 Sept 18 – 31 Aug 20 |
| Third Party | Currently Vacant | No nominations received |
| Energy Consumer | Mr David Havyatt (Senior Economist – Energy Consumers Australia (ECA)) | 2 years1 Sept 16 – 31 Aug 182 years (renominated by ECA)1 Sept 18 – 31 Aug 20 |
| Discretionary (retail) | Mr Peter Van Loon (CIO, Powershop) | 12 months1 Mar 18 – 1 Mar 19 |
| Discretionary (metering) | Mr Marco Bogaers (CEO Metropolis) | 12 months1 Mar 18 – 1 Mar 19 |
| Discretionary (distributor) | Mr Adrian Hill (GM Regulated Energy Services, Ausnet Services) | 12 months1 Mar 18 – 1 Mar 19 |

Appendix D – IEC Members 2018 Meeting Attendance

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Member** | **Company** | **23 FEB** | **15 MARCH** | **9 MAY** | **23 MAY** | **16 JULY** | **11 SEPT** | **30 NOV** |
| John Pittard | AEMO | Attended | Attended | Attended | Attended | Attended | Attended | Attended |
| Peter Price | Energy Queensland | Attended | Attended | Attended | Apology | Attended | Attended | Attended |
| David Markham | Australia Energy Council | Attended | Attended | Attended | Apology | ApologyAlternate attended: Stefanie Macri | Attended | ApologyAlternate attended: Stefanie Macri |
| Dean Van Gerrevink | Vector(Member until 31 August 2018) | Attended | Attended | Attended | Attended | Attended |  |  |
| Robert Lo Giudice | Acumen / Intellihub (Member from 1 September 2018) |  |  |  |  |  | Attended | Attended |
| David Havyatt | Energy Consumers Australia | Attended | Apology | Attended | Attended | Attended | Attended | Attended |
| Peter Van Loon | Powershop | Attended | Attended | Attended | Apology | ApologyAlternate attended: Chris Murphy | Attended | Attended |
| Marco Bogaers | Metropolis | Apology | Attended | Apology | Apology | Attended | Attended | Attended |
| Alan Hume | Jemena(Member until end Feb 2018) | Apology |  |  |  |  |  |  |
| Adrian Hill | AusNet Services(Member from 1 March 2018) |  | Attended | Attended | Attended | Attended | Apology | Attended |
| Vacant | Third Party Representative |  |  |  |  |  |  |  |