POWER OF CHOICE INFORMATION PAPER

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1 Purpose

The purpose of this Information Paper is to provide industry stakeholders with an understanding of AEMO's proposed procedure changes for the AEMC's Power of Choice (POC) Review. AEMO's proposals in this Information Paper will form the basis for the first package draft procedure amendments which have been informed by consultation with industry stakeholders through a series of POC workshops.

2 Introduction

AEMO is currently developing the first package of procedure changes for National Electrcitiy Rules (NER) amendments relating to Competition in Metering, Embedded Networks and Metering Replacement Processes.[1] The targeted date for release of the first procedure pack for consultation is 22 April 2016; the final publication of the procedures is required by 1 September 2016.

While the NER is generally prescriptive on the requirements of the procedures, there are features of the impacted procedures open to a range of possible implementation options. AEMO has conducted three workshops over five days to consult with stakeholders on key topics and one technical workshop with representatives of Metering Data Providers (MDPs), providing stakeholders and AEMO an opportunity to discuss potential options and views on changes. AEMO has used this consultation to inform its initial thoughts on procedure drafting. This information paper presents AEMO's initial view on these matters and summarises views of stakeholders represented in the workshops.

B2B Procedures are governed by the Information Exchange Committee (IEC). While AEMO's industry discussions covered some B2B matters as an input to the IEC's processes, the issues related to these procedures changes are not included in this document..

Separate from the issue of ensuring the content of the procedures is consistent with the changed NER, AEMO is also undertaking a restructure of the procedures, which is discussed further in Section 3 of this paper. The remaining sections are structured so that their contents primarily relate to a specific procedure, though in many instances changes may also impact other procedures.

[1] In relation National Electricity Amendment (Expanding competition in metering and related services) Rule 2015 No. 12, National Electricity Amendment (Embedded Networks) Rule 2015 No. 15 and National Electricity Amendment (Meter Replacement Processes) Rule 2016 No. 2.

3 The New Procedure Framework

In reviewing the Retail Market Procedures following the Competition in Metering final rule determination, AEMO considered it an opportune time to consolidate the affected suite of procedures. In doing so, AEMO has adopted a number of drafting principles:

- As originally drafted, the affected documents used a variety of different and inconsistent styles. The new and redrafted procedures will conform to AEMO's current style guide, which uses a simplified structure. This means that a lot of the material that exists currently in some documents will no longer be required, either because it was repetitive, redundant, or if substantive enough, will be relocated. Procedures will be redrafted to be more 'procedural', rather than simply providing 'nice-to-know' information;
- No procedure will replicate content that already exists in the NER or NERR (National Energy Retail Rules). Many procedures seem to have replicated both definitions and substantive content from the NER. For the purpose of minimising the potential for ambiguities and confusion to arise for participants in the meaning of procedures, repetitive content will be removed. Another reason for discontinuing this practice was that the risk of misalignment with not only the NER/NERR is high, but so is the risk of misalignment between procedures;
- Most procedures use common terms, but there are inconsistencies between current existing definitions in different procedures. To address this a common glossary will be established across all procedures (called Retail Electricity Market Procedures Glossary and Framework). Where more than one definition exists for the same term, AEMO will either use the one that made more sense, or draft a composite of the two.
- Long terms will be abbreviated where the abbreviations are commonly used;
- The content of each procedure will reflect the subject matter of that procedure. Content that applies to more than one procedure will not be replicated, but cross-referenced, instead. Procedures will be consolidated where appropriate;
- Poorly expressed provisions have arisen particularly where processes have evolved over time and the procedures have not been revised to keep them aligned, making requirements either redundant or anachronistic. These will either be redrafted for the sake of clarity, or, if not required, deleted;
- The legal and regulatory context for the Retail Market Procedures would be moved from individual procedures to a new Retail Electricity Market Procedures – Glossary and Framework document; and
- While AEMO will update the jurisdictional metrology material in the metrology procedure, AEMO does not have the authorisation to make these changes (being jurisdictional). While a process is in place to obtain appropriate authorisation, any changes not authorised by the end of the consultation will revert to its original, unedited form.

Other than the changes required by the final rules for Competition in Metering, Embedded Networks and Meter Replacement Processes, changes to procedures based on the drafting principles are intended to rationalise the procedures and not change the substance of the obligations or rights of the parties to which the procedures apply.

4 Metering and Metrology Procedure Changes

4.1 Type 4 Meter Identification

4.1.1 Context

As a result of the changes to the NER from 1 December 2017, Type 4 metering installations will include:

- Existing Type 4 metering installations installed before or after 1 December 2017 for large customers;
- Type 4 metering installations installed prior to 1 December 2017 for a small customer; and
- Type 4 metering installations that meet the minimum services specification and installed after 1 December 2017 for a small customer.[2]

A Type 4A metering installation is defined under rule 7.8.4 can only be installed where the MC demonstrates to AEMO's reasonable satisfaction that:

- There is no existing telecommunications network that enables remote access to the metering installation at that connection point; or
- Where, in the Metering Coordinator's (MC's) reasonable opinion, a small customer has communicated its refusal to the installation or proposed installation of a small customer metering installation.

The NER identifies Type 4 and Type 4A metering installations. Any further differentiation needs to be considered in AEMO procedures and systems.

AEMO considers that these metering installations should be independently identifiable, for reasons including:

- Customer transfers;
- Appointment of MCs;
- Appointment of providers;
- Compliance management; and
- Accreditation.

Whilst there is likely to be a great deal of similarity in the maintenance and data management of a Type 4A and Type 5 metering installation, the Type 4A arrangement is a temporary arrangement whereas a Type 5, which is also manually read, is a permanent arrangement. Accordingly, there is a case for Type 4A and Type 5 to be independently identifiable.

4.1.2 Stakeholder Discussion

There was support to differentiate meters in MSATS in the manner outlined by AEMO.

A general view was established that the MSATS meter installation type code was a field that could be used to accommodate new metering installation type descriptions/identifiers. A view was expressed that having too many classifications in the meter installation type code could complicate operations without benefit and that information on Type 4 variants would only be useful if participants are mandated to populate the required field/s using standard codes.

[2] The other Type 4 metering installations are not required to support the requirements of the minimum functional specifications. Currently existing Type 4 metering installations do not need to be capable of reactive energy measurement, provision of accumulated metering data at the start and end of a specified period and provision of voltage, current, power and frequency measurement (though meters may still satisfy those requirements, particularly for large customers).

MSATS includes a NMI discovery function to find details of meters. Metering Providers (MPs) and MDPs do not have access to NMI discovery, but instead capture this information via a C7 report. Both the NMI discovery function and the C7 report could be updated to provide information to differentiate between Type 4 metering installation variants.

4.1.3 AEMO Proposal

AEMO proposes to include a range of new codes in the MSATS meter installation type code field to accommodate various metering installation type descriptions/identifiers. This field is currently an 8-character alphanumeric field which will allow for different combinations of numbers and letters to enable the simple identification of the nature of the metering installation.These new identifiers will include:

- Type 4 advanced whole current (code - COMMS4D)
- Type 4 advanced current transformer (code - COMMS4C)
- Type 4A (code - MRAM)
- VIC AMI (code - VICAMI)

The existing Type 4 identifier of 'COMMS4' would remain and be unchanged.

Consideration was given to providing further levels of differentiation such as a variation to the Type 4A code to include the reason that the Type 4A, rather than Type 4 was installed, however, AEMO considers this to be adding a level of complexity to the use of a field that is unwarranted, when there are other ways to identify the rationale of the installation of a Type 4A metering installation, the Type 4A metering installation is considered in the NER to only be installed in exceptional circumstances and the MC will have to ensure that it manages any exemptions allowing the installation of type 4A, and therefore must keep records outside of MSATS.

Availability of and access to NMI Discovery or MSATS reports would be assessed on publication of the procedures in September 2016 to ensure that the MP (Metering Provider) and MDP have access to the information they reasonably require to undertake their roles under the new framework.

4.2 Type 4 Metrology Requirements

4.2.1 Context

Metrology requirements for existing Type 4 metering installations are already in place. The Type 4 boundary is unchanged in the NER - from 0 to 750 MWh per annum and applicable to small and large customers alike. Most notably, the changes to the NER are expected to result in a significant increase in the number of small customer Type 4 metering installations.

With an increase in small customer Type 4 metering installations, AEMO considers that there may be a justification to make a distinction in the Metrology Procedure for large and small customers.

Victorian advanced metering installations (AMI), which are currently covered under derogation 9.9C of the NER (which expires 1 December 2017), are registered in MSATS as MRIM metering installations (Manually Read Interval Meters). Upon the expiry of the derogation, AEMO considers it reasonable to review whether special consideration needs to be provided to accommodate VIC AMI processes. AEMO understands that Victorian AMI processes are currently not capable of meeting the Type 4 substitution and validation requirements which are currently the minimum standards for metering installations with remote acquisition of metering data (other than type 5 and 6 meters that have remote communication for specific operational reasons as defined in the NER).

The NER does not give AEMO powers to relax these requirements for a sub-set of Type 4 metering installations. The only specific circumstances stated in the NER in which the standards may be relaxed – clause 7.8.9(b) – is when a MC has altered a Type 5 or 6 meter to make it

capable of remote acquisition for operational difficulties (e.g. where the meter is on a remote property or in a secure or hazardous environment) or to enable a Local Network Service Provider (LNSP) to meet its obligations to provide a safe, reliable and secure network.

To the extent that there are powers to relax performance standards of the metrology procedures this can only be done if AEMO agrees on a lower performance standard that does not place a material risk on its ability to meet the settlement and prudential requirements.

4.2.2 Stakeholder Discussion

Stakeholders were asked to provide substantive reasons for modifications of metrology requirements in the Metrology Procedures for sub-sets of Type 4 metering installations (including Victorian AMI meters for AEMO to consider. Modifications might relate to substitution, validation, data delivery or other items.

There was a view that favoured using the connection type as the point of difference (i.e. whole current metering installations verses current transformer connected metering installations) rather than the classification of small or large. Separating requirements along these lines would appear most practical as the operating practices, business process, validation of data and metering installation management are distinct from one another. Whilst the current Type 4 metrology requirements are suitable for current transformer connected metering installations, requirements that could potentially be relaxed for whole current metering installations were identified as:

- Load check requirements;
- Significant alarm list; and
- Power outage notifications.

Given the number of Victorian AMI meters, it was suggested that some market readiness activity could be warranted to ensure that they are correctly transitioned to the new framework.

There were suggestions that AEMO 'grandfather' Victorian AMI metering installations so that they would have to meet the Type 5, rather than the full Type 4 metrology requirements due to the potentially high cost of making Victorian AMI processes compliant with the Type 4 requirements.

4.2.3 AEMO Proposal

AEMO proposes to amend the procedures to accommodate a variation of requirements as proposed by stakeholders, such that whole current metering installations would have a relaxation in the requirements for managing load checks, significant alarms and power outage notifications.

AEMO considers that the current requirements for Victorian AMI metering installations should be accommodated in recognition of the concerns raised by Victorian LNSPs and retailers regarding the process and cost implications for Victorian AMI providers to meet the requirements commonly applied to metering installations that have remote acquisition of metering data. Further, AEMO does not consider that accommodating Victorian AMI installations in this manner will have a material impact on AEMO's settlement and prudential requirements.

4.3 Sample Metering for Controlled Load Profiles

4.3.1 Context

LNSPs are required under jurisdictional rules to maintain a number of interval meters to sample the usage of non-interval meter (Type 6) customers to provide data required for profiling.[3] The sampling requirements are contained in the current Metrology Procedure Part A (2.6 and 3.4.2) and Part B Section 13.

The new and replacement metering policy introduced by the Competition in Metering rules creates the possibility that a "non-interval" meter customer with sample metering moves to having its metering services provided by an MC other than the LNSP, and the LNSP's sample metering being replaced.

The potential displacement of a LNSP's sample meter will in many cases require the LNSP to ensure that an alternative metering installation is used for the sample and that an existing Type 6 metering installation needs to be used to facilitate the remote capture of interval data. This is problematic, however, as the amended NER require that any replacement metering installation for a small customer is a Type 4 metering installation that meets the requirements of the minimum services specification. Therefore, the metering installation would become a Type 4 and no longer be suitable for the sample.

4.3.2 Stakeholder Discussion

The LSNP could take one of the following approaches when a new sample site is required:

1. Install a replacement sample meter at another site (although this would be problematic as the NER requires all new and replacement metering to be Type 4, or 4A in specific circumstances).
2. Install an additional check meter (potentially as a network device) at the customer site in addition to the new MC's metering installation where this remains a Type 6 metering installation.
3. Install an additional check meter (potentially as a network device) at another Type 6 metering installation (as the installation of a check meter would allow data to be collected for profiling, without requiring a replacement metering installation and the requirement to transfer to Type 4).
4. If the new MC has installed a Type 4 metering installation, obtain data from the new MC by arrangement with the MC or by use of metering data provided to the LNSP by the MDP as is current practice.
5. Require the Finanically Responsible Market Participant (FRMP) and MC to install meters that satisfy requirements for sample metering.

A limitation of some of the above options is that the first and second options do not appear consistent with the NER requirement to install a Type 4 metering installation in a new or replacement situation. Further, if the new MC has installed a Type 4 metering installation, the customer is no longer settled on a profiled load, so it may be inappropriate to use this meter as a basis for profiling of load. This appears to eliminate the forth option and the fifth option.

4.3.3 AEMO Proposal

It would be inappropriate to use data from a Type 4 metering installation as a basis for load profiling. The customer's behaviour may be quite different from a customer served by a non-interval meter. In particular, Network Tariff Codes could be different and a customer with a Type 4 metering installation may have access to time-of-use meter data that causes them to change usage relative to a customer without that data.

[3] This is entirely unrelated to sample meter testing, a process by which a statistical sample of the set of meters is subject to testing for accuracy.

AEMO therefore considers that option for the LNSP is limited to the installation of a new check meter at another appropriate Type 6 site. It would be reasonable to consider that any check metering arrangement would be installed as a network device and would need to be treated as such by any MC or MP arranging works at the metering installation.

4.4 Network Device Management

4.4.1 Context

Clause 7.8.6 of the NER introduce the concept of 'network devices', which are apparatus or equipment that enable 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 power system related devices, such as controlled load profile sample meters and Victorian AMI metering installations (under the derogation in NER clause 9.9C).

Procedures must be developed that:

- Specify when an existing metering installation that is to be replaced by an MC can 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 that affect network devices or metering installations and the provision of records.

The issue to be explored in this paper relates to the first point – how to identify network assets and when they become a network device.

AEMO considers it reasonable for network devices to be removed and returned to the owner in all circumstances where an agreement has been made between the MC and the LNSP to do so, or where the network device 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 installed 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 meter churn; and
- A switching service installed to facilitate the application of a network tariff at the NMI, such as a timeclock, time switch or ripple controller, which is used to change the register on a multi-register meter, and that switching service is made obsolete as a result of the meter churn.

AEMO notes that NER clause 7.8.6(f) permits an MC to remove a network device without the LNSP's 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.

4.4.2 Stakeholder Discussion

The general view was that a network device that is being disconnected as a result of a new meter being installed and is no longer required, should be returned along with the old meter as is current practice.

There would be an opportunity for retailers, LNSPs and other related parties to consider the removal of obsolete devices that are fortuitously discovered either at the time of performing metering changes, or prior upon investigation of metering data (e.g. equipment supporting a dedicated hot water supply at a metering installation where the electric hot water system has been removed). It should be noted that any such changes may result in an alteration to the supply agreement with the customer and would need to be treated accordingly. The removal of devices in

these circumstances does not appear to be a matter for AEMO procedures, but instead for parties to agree between themselves.

A general view, particularly from LNSPs, was that a default arrangement for identification of a network asset appears preferable to any requirement for the LNSP to provide or publish identification information. For example, a network asset is considered to be a network device unless:

- The MC and LNSP agree to the contrary; or
- The network asset is a component of the metering installation that is made obsolete as a result of a new meter being installed.

It was noted that there is no rule- or procedure-based requirement to rectify an erroneous removal of a network device. It was observed that as any new or replacement metering installation would be installed subject to commercial agreements, any rectification should be via commercial arrangements, rather than regulation.

4.4.3 AEMO Proposal

The network device procedures will include a default arrangement for the identification of network assets and AEMO does not intend to place a requirement on any participant or provider to provide or publish identification material or information. The procedures will consider that a network asset is a network device unless:

- The MC and LNSP agrees to the contrary; or
- The network asset is a component of the metering installation that is made obsolete as a result of a new meter being installed.

4.5 Disconnection & Reconnection – Site Identifier

4.5.1 Context

While not an express requirement of the NER, some stakeholders have proposed to AEMO that MSATS should indicate whether disconnection of a site was performed remotely or physically. It has been suggested that such a feature would provide an MSATS user with information useful in deciding how to reconnect a site (e.g. whether it can be done remotely).

AEMO identified some practical problems with such a feature:

- After a period of time of disconnection a certificate of electrical safety is required, requiring a site visit regardless of the method of disconnection;
- A site that was remotely disconnected can subsequently be physically disconnected (without MSATS necessarily being updated); and
- There could be communications faults that prevent a remote reconnection, or a meter fault. Both of these would require a visit to site to reconnect.

AEMO considers that any such identifier is likely to have minimal value, noting that:

- The MC will be the party responsible for ensuring any reconnection is performed in accordance with NER requirements. A requestor of a reconnection could arrange the reconnection service with the MC for any Type 1, 2, 3 and 4 metering installation; and
- Standard Type 5 and 6 metering installations cannot be remotely disconnected and, therefore, require a physical reconnection in all cases.

There is also the question of how requestors would use such an identifier even if it did exist, and why an identifier in market systems would be a more optimal solution than requiring service providers to manage a compliant and efficient service outcome on a contractual basis.

In addition, AEMO considers that, as an MC's appointed provider can now perform remote disconnection and reconnection, it is reasonable for the provider to update the NMI status in MSATS.

4.5.2 Stakeholder Discussion

Many stakeholders consider there would be value in an MSATS indicator to identify the nature of a disconnection (remote or physical) so that the method of reconnection could more easily be determined.

It was suggested that the NMI status code could be used to indicate a disconnection performed by a LNSP and the meter status to indicate a disconnection performed by a Metering Provider. These fields would need to be NMI discoverable. This approach would reduce the risk of multiple parties updating the same field with apparently conflicting actions and causing confusion.

Some stakeholders wanted the NMI status code to indicate a disconnection regardless of who performed the disconnection. This is because NMI status is used to drive backend processes, such as substitution and validation, service charges, assigning tariff etc.

There was discussion of whether an indicator should be at the site level or the meter level, as there could be multiple meters at a site. A meter level flag would provide higher resolution information for MCs. A concern about this was that a site with many meters would require updating statuses on all meters when the site was disconnected.

Any new use of fields may require associated service levels to be specified on their update and, potentially, the notification to other parties of an update. Alternatively, the obligation to update MSATS could also be dictated by commercial agreements between parties.

Views were also expressed that the party who performed the disconnection should be recorded in MSATS. The requirement to identify the party that performed the disconnection does not exist today as the LNSP is the only party that can carry out disconnections currently. Post 1 December 2017, the retailer will be able to request the MC to perform disconnections. A proposition was put forward that if the party who performed the disconnection was identifiable, the retailer would know who to contact to get a reconnection performed. AEMO confirmed that the MC would be responsible for the management of any remote reconnection, regardless of the party that performed the disconnection. Some stakeholders raised concerns that a change of MC could complicate this.

It was proposed by AEMO that an indicator of the method of disconnection would not allow any party to be certain on the method that would need to be employed for a reconnection (as there are various reasons why a site visit would be required to reconnect regardless of whether the disconnection was performed remotely). There were no arguments presented to the contrary.

AEMO discussed the potential scenarios for disconnection were the retailer would only need to identify the MC to determine who to send a request to:

- Initial MC is the MC – reconnection request will always be sent to the MC/MP/MDP;
- Contestable MC is the MC (and the site has not been disconnected by the LNSP) – reconnection request can be sent to the MC/MP/MDP and it will be actioned either remotely or at the meter;
- Contestable MC is the MC (and the site has been disconnected by the MC at the request of the LNSP) – reconnection request can be sent to the MC/MP/MDP and it can be actioned either remotely or at the meter subject to the agreement between the retailer, LNSP and MC; and
- AEMO identified one scenario where a retailer would not necessarily be able to obtain a reconnection simply by requesting the MC perform the service:
    - Contestable MC is the MC (and the site has been disconnected by the LNSP, without any action being performed by the MC) – in this case a reconnection request could either be:

- Sent on from the MC/MP/MDP to the LNSP on behalf of the retailer (provided agreement to perform such a process between the parties concerned has been reached); or
- Rejected back to the retailer with an appropriate rejection code that informs the retailer of the need to contact the LNSP to facilitate the reconnection.

4.5.3 AEMO Proposal

Whilst AEMO considers that a retailer could request the reconnection be performed by the MC, and that mechanisms could be established to resolve the management of the reconnection requests that the MC may not be able to perform directly, AEMO will add a new NMI status of 'R' to MSATS. This will enable the identification of a NMI that has been disconnected remotely. This new status will be in addition to the current NMI status of 'D', which would remain unchanged in use, indicating that the NMI has been disconnected physically. AEMO notes that an NMI status of 'R' would only be an indication of how the NMI was disconnected, and would not guarantee that a remote reconnection could be performed.

Post 1 December 2017, it is reasonable to expect that MCs and service providers in the market would have processes/contracts in place to facilitate the transfer of required operational information from one MC or service provider to another in the case that an MC or service provider has performed a disconnection and a new MC or service provider is charged with performing a reconnection. Such processes would be outside of AEMO's procedures.

The updating of the NMI status code would remain the responsibility of the LNSP, or the Embedded Network Manager (ENM) for a connection within an embedded network, who in turn would need to receive notification of any remote disconnection or reconnection from the retailer or its appointed MC, or service providers, which could be determined in agreements between those parties.

AEMO notes that the NMI status code does not impact on the operation of settlements.

4.6 Disconnection & Reconnection – Provision of Services

4.6.1 Context

AEMO is considering whether its procedures need to include requirements on which parties need to become accredited to perform remote energisation services, should such accreditation be required.

The accredited provider roles currently include:

- The MP – who is accredited to provide, install and maintain the metering installation; and
- The MDP – who is accredited to collect, process and deliver metering data.

4.6.2 Stakeholder Discussion

It was noted that the accreditation process could be made complicated if multiple parties were to be responsible for delivering a single service.

It was noted that the MP and MDP are the only parties accredited to perform services; the MC is to be a registered participant and will not be required to have any form of accreditation.

Some stakeholders made a key distinction between the MP and MDP - that the MP does field work, while the MDP performs communication with the meter; therefore the MDP is the logical party to perform reading and remote reconnections and disconnections.

Other stakeholders noted that the MP is currently providing remote disconnections and reconnections in the Type 4 and VIC AMI space.

An issue was raised about jurisdictional safety regulations. While the MDP may perform remote services there may be implications from safety regulations. In particular, the MDP may use the systems of the MP to access the meter. It was suggested that once the MP's systems are accredited, the MDP may be accredited to perform disconnections and reconnections as an agent of the MP.

If the offering of remote disconnection and reconnection is optional, there is the question of how that would be included in any accreditation process.

It was suggested and agreed by all present that a meter reading is not required prior to a remote disconnection as the meter is still 'live' and the remote disconnection does not disable the ongoing process to retrieve data, therefore no specific requirements need to be stipulated for the retrieval of data upon a remote disconnection.

4.6.3 AEMO Proposal

Whilst there will be some specific requirements in service level procedures (e.g. ensuring that a Type 4A is only installed at a metering installation by an MP under the circumstances and with the approvals required by the NER), these will be limited and that consideration of accreditation requirements will be of greater importance when updating the registration, qualification and accreditation procedure changes later in the year, which are due for publication by 1 March 2017.

4.7 Emergency Priority Procedures

4.7.1 Context

Clause 7.8.5 of the NER establishes the new Emergency Priority Procedures. This procedure allows for prioritisation of services to ensure safety and prevent congestion of requests for metering services. These provisions would apply to specific, identified, metering installations (e.g. within a geographic area) for the declared duration of the emergency.

AEMO sought stakeholder feedback to consider what constitutes an emergency for the purpose of the Emergency Priority Procedures (e.g. nature of event, number of customers affected) as well as how to identify the impacted metering installations, determine how service providers are notified of the beginning and end of an event and by whom? There is also the issue of what services the procedures relate to and what a service prioritisation means in practice.

4.7.2 Stakeholder Discussion

The types of services that the LNSP may want to access that are listed in the Minimum Services Specification are:

- Remote disconnection and reconnection; and
- NMI enquiry.

There was a general view that the LNSP should be in control of determining the start and end of an Emergency Priority Event and that the services provided to the LNSP should have been agreed between the LNSP and the service provider via a commercial agreement.

In effect, declaration of the emergency priority event by the LNSP is a trigger for prioritising services which are the subject of commercial agreements between the LNSP and the MC, in the case that such an agreement exists.

4.7.3 AEMO Proposal

AEMO will proceed on the basis that LNSP will declare the Emergency Priority Event and that the services to be prioritised will be defined through commercial agreements between the LNSP and service providers.

4.8 Jurisdictional Matters

4.8.1 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 COAG Energy Council (COAG-EC).

Jurisdictional metrology material relates to Type 5, 6, and 7 metering installations and alters the application of the Metrology Procedure for a jurisdiction.

Examples are 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 new NER;
- Defined terms used (e.g. metering data and energy data) have changed, and the material is inconsistent with new definitions;
- Some material has expired, 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 in the Metrology Procedure dates back to the establishment of the harmonised metrology procedure work, and needs to be reviewed for continuing relevance.

AEMO's procedure development activities will focus on ensuring that the jurisdictional metrology material in the Metrology Procedure is consistent with the NER, and is still relevant in each jurisdiction that proposed it, and perhaps harmonise further.

There is no scope or need to add in additional jurisdictional metrology material.

The approach being followed is:

- AEMO provides a summary of jurisdictional metrology material and commentary to the Department of Industry, Innovation and Science (DOIIS);
- DOIIS discuss individually with jurisdictions; and
- DOIIS to approach COAG-EC to champion required changes.

The aim, if possible, is to include these changes to jurisdictional metrology material during the consultation process for metering competition.

4.8.2 Stakeholder Discussion

When asked about the timing constraints AEMO responded that if instructions are received from COAG-EC by July 2016 to change the terms in jurisdictional metrology AEMO can amend the Metrology Procedures by the determination release time.

There were questions about the meaning of review dates identified in the Metrology Procedure. AEMO clarified that provisions with a review date in the procedure is effectively an expiry date in the NER (which triggers the review of the procedure).

4.8.3 AEMO Proposal

AEMO's procedure development activities will focus on ensuring that the jurisdictional metrology material in the Metrology Procedure is consistent with the NER, and is still relevant in each jurisdiction that proposed it, and perhaps harmonise further.

There is no scope or need for additional jurisdictional metrology material.

AEMO will continue to work with the DOIIS regarding the material.

The aim, if possible, is to include these changes to jurisdictional metrology material during the consultation process for metering competition. As noted in the workshop discussion, AEMO does not have the authorisation to make these changes. While a process is in place to obtain authorisation, any changes not authorised by the end of the consultation will revert to the original, unedited form.

5 Meter Churn Procedures

5.1 Meter Churn

5.1.1 Context

The current meter churn procedures are only required to contain matters that the FRMP must consider regarding meter churn. The process for triggering meter churn is changing as a result of the new NER and the amended procedures must now contain matters that the MC, MP, MDP and FRMP must consider. Of note, the process for performing meter churn has not changed.

Under the amended NER, from 1 December 2017 the MC initiates meter churn. For example, a MC may do this:

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

5.1.2 Stakeholder Discussion

It was suggested that AEMO consider including a substitution method that can be applied when churn data is not supplied to the incoming MDP, one that is not based on historical data. This was subsequently discussed at an MDP forum where technical input was provided in support of this suggestion.

5.1.3 AEMO Proposal

Subsequent to the workshop with stakeholders, the AEMC published its determination on the Meter Replacement Procresses rule change. AEMO notes that the rule does not alter the responsibilities for the initiation of meter churn (i.e. that the MC appointed in MSATS is the only party who can initiate churn). The meter churn procedures will be drafted accordingly and AEMO expects the procedure to be simplified significantly as a result.

AEMO has reviewed the substitution methods in relation to meter churn and has made amendments to accommodate the scenario when churn data is not supplied to the incoming MDP.

6 Minimum Services Specification

6.1 Service levels, performance standards and technical requirements

6.1.1 Context

The NER contains provisions for defining the scope of the minimum services specification – specifically that it relates to the capabilities of a new or replacement metering installation for small customers, to be installed from 1 December 2017.

The minimum services specification does not relate to the service levels and standards that an MDP, MP or registered participant must meet in the delivery of an end-to-end service, it relates only to the capability of the metering installation. The delivery of an end to end service is subject to commercial agreements between the MC, MDP, MP and registered participants.

The minimum services specification procedures to be drafted in accordance with clauses 7.8.3(b) and (c) are to set out:

- Service levels;
- Service standards; and
- Service technical requirements

6.1.2 Stakeholder Discussion

A general view expressed from stakeholders was that the service level and performance standards for metering installations need to reflect the real technical capability of the metering installations, and should be as follows:

- Service levels for all services to be within 1 minute;
- Performance standards for all services should be set at 99.5%;
- There is no need for a measure of accuracy, for example regarding accuracy of metering data, as it is irrelevant in terms of metering installation capability; and
- The availability for all services should be set at 24/7, as the metering installation should be available 24/7 for service provision.

AEMO identified two technical requirements for potential inclusion in procedures and no material concerns were raised regarding their inclusion in the procedure:

- Metering installations must be capable of measuring active energy (Wh) and leading and lagging reactive energy (varh) for both import and export energy flows – in support of the requirements stated for the data collection services; and
- Where a poly-phase metering device is installed within a metering installation, the metering installation must be capable of recording and providing the average voltage and current over a nominated trading interval for one or more nominated trading intervals, for each connected phase.

Stakeholders suggested the following technical requirements be considered:

- Temperature alarm - to be specified as a technical requirement for the metering installation enquiry service. The temperature alarm is used for producing an alarm when the meter becomes overheated and needs to be investigated – AEMO noted that this had been considered in the AEMO advice to COAG-EC in November 2014 and was not identified as a requirement to be progressed by either COAG-EC or the AEMC.
- Auto disconnect – proposal that it should be a mandatory technical requirement of every meter. Auto disconnect occurs when there is a level of standing load at a metering installation at the time of remote reconnection.

- Frequency measurement.

6.1.3 AEMO Proposal

The service levels and performance standards will be included in the draft of the initial procedure based on the stakeholder feedback in the workshop; specifically that service levels will be within 1 minute and performance levels will be 99.95% (measured over a rolling twelve month period) of metering installations, against each service.

The technical requirements proposed by AEMO will be included. AEMO considers that other items, such as frequency measurement and auto disconnect functionality, are related to the standards of metering design and as such should be considered in Australian Standards, rather than the NER and AEMO's procedures. Should a new standard be established, AEMO procedures would recognise the standard and require its application.

The requirement for temperature alarms to be included in a minimum specification has been previously debated in the AEMO advice on Minimum Functionality of Advanced Meters, sent to COAG-EC in November 2014. AEMO does not consider that there is any new information that would require it to be included in this procedure.

7 Embedded Networks

7.1.1 Context

The embedded networks rule change creates the role of the Embedded Network Manager (ENM). Where required by the Australian Energy Regulator (AER), an ENM must be appointed by Exempt Embedded Network Service Providers to manage services for their exempt embedded networks. The ENM performs the tasks that an LNSP would normally perform at a connection point to facilitate competition / retail transfer for a customer.

The rule change requires that procedures including MSATS, Metrology and B2B are amended and published by 1 September 2016. The ENM Service Level Procedure, accreditation requirements for ENMs and an embedded network guideline are required by 1 March 2017.

Key tasks that the ENM must perform include:

- Apply to AEMO for a NMI for a metering installation at a child connection point;
- Provide the MC, FRMP and the Exempt Embedded Network Service Provider with the NMI for the metering installation within 5 business days of receiving the NMI from AEMO;
- Register the NMI with AEMO in accordance with procedures from time to time specified by AEMO; and
- Maintain information about the types and configuration of metering installations.

In this respect, the ENM role requirements for child connection points are similar to the LNSP role for connections to the distribution network.[4]

AEMO's role with respect to these changes is to:

- Provide the ENM with a set of NMIs or an individual NMI to allocate; and
- Publish a list of Embedded Networks with the appointed ENM.

AEMO proposes that:

- As the ENM cannot access data from the parent NMI – identification of the link to the EN at the parent will be in the embedded network ID field;
- When a child connection that is on-market (supplied by a retailer) moves to off-market (supplied by the embedded network operator) then the:
    - FRMP will change and become the same as the embedded network local retailer (FRMP at parents/LR at child);
    - NMI status must be changed to 'D', or alternatively a new code to identify the status as being an off-market child; and
    - Datastreams must be made inactive by the MDP (since it is not used in the NEM).
- When a NMI connected to the LNSP's network moves to be within an embedded network:
    - The NMI of the connection point is not required to be changed(i.e. there is no need to extinct and replace the existing NMI); and
    - Role changes and embedded network ID field will enable parties to clearly identify the NMI as being connected within an embedded network and will ensure correct settlement.

[4] Today, establishing and maintaining the NMI are the responsibility of the embedded network local retailer (i.e. the FRMP at the parent NMI).

7.1.2 Stakeholder Discussion

Current practice is for some LNSPs to change the NMI status to 'X' when the NMI moves off-market, with other LNSPs changing the status to 'D'.

The group discussed creating a new status to indicate that a NMI is off-market. This was considered a suitable solution as it will enable the service providers to identify a move off-market and allow them to determine how to manage the installation ongoing. Some retailers indicated a strong preference for the prosed new status for the NMI as this allows for easy discovery of the NMI and for determining if a NMI is off-market.

The general view was that datastreams should be inactive if the NMI moves off-market, with some MDPs indicating that whether the datastream is active or not, they still read the meter. Others participants indicated that if the data stream is inactive, then the meter read should stop and data shouldn't be sent to MSATS. AEMO confirmed that no data was required for settlements where the NMI has moved off-market. Stakeholders discussed that a NMI allocation requirement would be for NMIs allocated to ENMs to be distinct from the NMIs allocated to the LNSPs.

Some retailers indicated that they use NMIs to identify the area or region to which the NMI belongs. As such, there is a strong preference for maintaining some form of consistency between NMIs allocated in a particular area to both the LNSP and the ENM.

The group noted that after 1 December 2017, LNSPs should have nothing to do with child NMIs, and once a market NMI moves within an embedded network, the LNSP should be removed from that NMI and only be left at the parent NMI, which will have an embedded network identifier to mark it as a parent NMI.

The group expressed differing views with regards to keeping the market NMI when it moves within the embedded network or creating a new one:

- Retailers, MPs, MDPs and some LNSPs preferred leaving the NMI and changing its status when market NMI moves within an embedded network, as it is a long and costly process to abolish a NMI and create a new one. Also if the NMI is abolished, any retrospective transfers will not be able to occur. If the NMI is retained, however, so is the ability to apply retrospectivity in MSATS; and
- Two LNSPs indicated a clear preference for the abolishment of the market NMI and the creation of a new NMI when a market NMI moves within an embedded network. This is on the basis that the market NMI has characteristics relating the NMI to the network it belongs to, and that keeping the same NMI and using it as an on-market child NMI in an embedded network will create confusion between the LNSPs, the ENMs, and for the retailers. The proposal was put that when a customer becomes a child in an embedded network the connection point has changed and therefore a new NMI has to be created, and that, from a systems perspective, the market NMI belongs to the LNSP and it was designated to be used by the LNSP only, and hence it should not go to the ENM.

7.1.3 AEMO Proposal

Linking of parent and child connection points:

- The existing embedded network identifier fields (parent and child) are used for this purpose; no change to MSATS is required.

Identification of ENM at the parent NMI:

- The ENM is not an attribute of the parent NMI(s), nor does the ENM have any rights to data or any responsibilities for the management of data at the parent NMI(s).
- The embedded network identifier fields are used to link the parent NMI to the embedded network.

NMI creation:

- AEMO will seek to provide a NMI range to ENMs that is distinct, in that it would reasonably be identified as an ENM issued NMI.
- AEMO note that the creation of the NMI range is not a requirement that needs to be considered in the procedures due for publication by 1st September 2016, but will continue to consider stakeholder feedback regarding NMI lists for ENMs.

NMI status of a on-market NMI that moves off-market:

- A new NMI status of 'N' will be created to indicate that the NMI is an off-market NMI within an embedded network, in that it has moved into an arrangement with the embedded network for the retail supply of electricity; and
- Datastreams will need to be made inactive by MDPs as the NMI is no longer on-market; any datastream left active may be settled by AEMO.

When a NMI connected to a LNSP's network moves to be within an embedded network:

- AEMO will require the NMI to be retained and not made extinct; and
- Whilst two LNSPs highlighted challenges within their own systems that would be created if a NMI moved from the LNSP list to that of the ENM (i.e. no NMI is made extinct and replaced, it is transferred to the ENM from the LNSP as it is), it was confirmed that all retailers, MDPs and MPs would have to accommodate complex and costly processes should a NMI need to be made extinct and a new NMI created. In addition, retrospectivity in MSATS would be disabled. Role changes and embedded network ID field will denote connection to the embedded network.

8 MSATS Procedures

8.1 Adopting the changes to 'RP' and introduction of 'MC' and 'ENM'

8.1.1 Context

Whilst the competition in metering rule change removes the role of responsible person and creates the new role of MC, AEMO does not consider that the role ID of 'RP' needs to be amended to 'MC' in MSATS.

For Embedded Networks, AEMO considers that the ENM role will be treated as the LNSP for the purpose of using MSATS.

8.1.2 Stakeholder Discussion

With respect to the use of the RP role in MSATS, there were three options discussed:

- Keep using the RP role ID to reference MC in MSATS, for low-to-no system cost and no impact on market operation - noting that the term 'RP' is redundant and is not intuitive under the new MC arrangements.
- Add new role ID 'MC' to MSATS, keep the old role ID of 'RP' but end date it in the system to make it obsolete when the rule change is effective - stakeholders found this option quite messy and there was uncertainty in terms of how it could work.
- Rename 'RP' role ID to 'MC' which will require a coordinated industry update on 1 December 2017. All MSATS users and AEMO would have to make associated changes in their system. Some stakeholders were in favour of this option to remove any potential for confusion to the market in the future between the RP and MC terms.

There was no strong objection raised to the idea of using LNSP field to contain the role of the ENM for child NMIs. However, it was commented that, subject to rule limitations, it would be useful to be able to identify the parent and associated child NMIs in MSATS, and to be able to identify the ENM of an embedded network. The ENM is identified with a LNSP role ID for child NMIs.

8.1.3 AEMO Proposal

AEMO will be using the role ID of RP for the MC in MSATS. No update to the field will be made and consequently, no update to systems will be required. There are many codes in MSATS that require the MSATS user to understand the meaning of the code. Changing the code would appear to add cost for no benefit.

The ENM will have a role ID LNSP in MSATS for child NMI.

8.2 MSATS Change Request Codes

8.2.1 Context

AEMO considers that the NER changes may cause the current Change Request (CR) codes in MSATS to no longer be fit for purpose. This is due to changes in market roles or changes to the nature of activities undertaken by those roles. In some cases:

- A CR could be defunct and no longer necessary.
- It may be logical to merge the function of a number of CRs into one.
- It may be worth considering repurposing a CR (e.g. to accommodate an ENM).

The issue is therefore to determine which CR codes are necessary.

8.2.2 Stakeholder Discussion

AEMO discussed the continued relevance of Change Request (CR) codes with stakeholders.

Whilst the focus was applied to CR codes outside of embedded networks, AEMO considered that the outcomes might be applicable to both embedded network codes and standard codes.

The following table summarises feedback on specific CR codes.

CR	AEMO Comment / Question	Workshop Discussion Notes
1050 1051 Change Retailer – FRMP not RP – Large NMI	FRMP will never be MC for distribution connection points. This CR can be removed as no longer relevant.	• Stakeholders discussed that CRs 1050 and 1051 can be removed and that CR1000, 1010, 1020, etc. can be used to replace them if we are to remove validations related to FRMP must become RP for CR 1000, 1010, 1020 etc. (this was raised by some stakeholders as the preferred option) • Another option that was discussed is to rename and change the description of CRs 1050 and 1051 to "Change Retailer – FRMP not appointing MC – Large NMI", and leave the role appointment of MP and MDP to the MC • A more generic solution was to review all the CR1000 series and try to simplify them by having only two CRs one for Prospective transfers and another for Retrospective transfers (e.g. 1000 and 1001).
3080 3081 Maintain Metering – Advanced Change Metering installation details – small or large	This CR supports the installation of VIC AMI devices. No longer relevant in current context – could be repurposed as an option for the MC.	• The general view provided by stakeholders was for AEMO to consider repurposing this CR for use by the MC as suggested.
3090 3091 Maintain Metering – Advanced Exchange of Metering – small or large	This CR supports the installation of VIC AMI devices. No longer relevant in current context – could be repurposed as an option for the MC.	• The general view provided by stakeholders was for AEMO to consider repurposing this CR for use by the MC as suggested.
6200 6210 Change role – change MDP	This CR may be consolidated for efficiency (e.g. CR 6800 amended)	• Stakeholders agreed that CR 6800 can be modified to allow both the MC and current FRMP to update multiple roles in a single transaction.
6700 6701 Change role – change MPB and / or MPC	This CR may be consolidated for efficiency (e.g. CR 6800 amended)	• Stakeholders agreed that CR 6800 can be modified to allow both the MC and current FRMP to update multiple roles in a single transaction.

In regard to the CR2000 series "Create NMI" the possibility was raised of modifying the CR to allow the LNSP to create a NMI without adding all the other roles (FRMP, MP, and MDP).

In terms of appointing roles, stakeholders preferred that both the following cases be supported:

- A 'restrictive' option for role appointment in which only the MC can appoint MP and MDP in MSATS.
- A 'flexible' option which includes the restrictive option, but also allows the FRMP to appoint the MP and MDP in MSATS where commercial arrangements allow this.

8.2.3 AEMO Proposal

AEMO considers that MSATS CRs should have the flexibility to accommodate various commercial business models and as such should support:

- The MC appointing the MP and MDP in MSATS; and

- The FRMP appointing the MP and MDP in MSATS where commercial arrangements with the MC allow this.

Changes to CRs are planned as follows:

- CR 1000 series:
    - CRs 1050, 1051, 1090 and 1091 will be disabled as they are no longer relevant.
    - The CR1000 series will be amended such that any link requiring the FRMP to become RP is removed.
- CR 2000 series:
    - CRs 2020 and 2021 will be amended such that the initiating role will change from the new LR to be the new LNSP (ENM) of the child NMI. The ENM will obtain NMI ranges for embedded network child NMIs from AEMO.
    - CRs 2520 and 2521 will be disabled as providing MDM data stream details and metering installation details for embedded network child NMIs is the role of the MP and MDP.
    - In regard to the CR 2000 series “Create NMI”, AEMO does not intend to adopt the option for a CR to allow the LNSP to create a NMI without adding all the other roles (i.e. FRMP, MP, and MDP). The NER have specific requirements for parties to appoint roles, and as such, no NMI should be created without the retailer being able to provide details on the appointment of the MC, etc.
- CR 3000 series:
    - CRs 3080, 3081, 3090 and 3091 will be repurposed for use by the MC.
- CR 5000 series:
    - CRs 5060 and 5061 will be amended such that the initiating role of this change request will change from the current LR to be the current ENM of the embedded network child NMI.
- CR 6000 series:
    - CRs 6800 and 6801 will be modified to allow both the current MC and current FRMP to update multiple roles in a single transaction.

8.3 MSATS Objection Codes

8.3.1 Context

On 27 March 2015 COAG-EC instructed AEMO to undertake a process for resolving data inaccuracies in the Customer Switching Process and to review the effectiveness of the MSATS System. COAG-EC requested that AEMO review the operation of the objection framework in relation to customer transfers, including (but not limited to):

- Merits of objection codes (to minimise unnecessary objections)
- Definitions of codes, so that parties are aware of the appropriate circumstance of use
- Need for any new objection codes.
- The timeframes of objection codes.

COAG-EC requested that AEMO test its findings with an industry working group.

The Competition in Metering and Embedded Networks rule changes require a review of the objection codes, regardless of the request from COAG-EC, as market roles and responsibilities are changed.

8.3.2 Stakeholder Discussion

Stakeholders stated that other than specifically purposed codes, objection codes are important in that they can:

- Protect the business by preventing the completion of a change request (e.g. debt) ;
- Protect commercial arrangements or the lack of commercial arrangements to the extent that the NER allow; or
- Object if they are not capable of performing a role or do not wish to perform the role proposed.

Stakeholders raised an issue related to not finding or not being allowed to access and use an appropriate objection code to object to a CR, which leads to them using another unsuitable objection code.

The following comments were received on specific objection codes:

BADDATA

- This objection code can be used by incoming new party or current party in a transposition scenario to object to incorrect standing data.
- The description of the objection code needs to be updated to include possible valid reasons for using it.

BADMETER

- MDPs noted that they use this objection code sometimes because they cannot access the other more appropriate objection codes, for example they use it to object to incorrect meter read type code.
- MPs use this objection code to object to non-compliant meters when LNSPs use CR5050/CR5051 to change NMI classification from small to large

BADPARTY

- If the FRMP is the one filling in the roles for MP and MDP in MSATS then the MC needs to be able to use this code to object if the appointments are incorrect
- Stakeholders agreed that the description of the objection code needs to be modified

DATEBAD

- A suggested new use for the objection code was to add it for CR1500 to allow MDPs to object to wrong dates provided by CR1500. This is an existing issue related to the removal of type 1-5 metering installations

DEBT

- Retailers indicated that this objection code is still valid and they need to keep it
- Stakeholders questioned whether MCs should be able to use this objection code to protect themselves financially as part of a direct metering agreement with a large customer.

DECLINED

- This objection code is used by a party who does not want to perform the service or doesn't have the capability to do it.
- The descriptions of BADPARTY and DECLINED need to change to clearly differentiate between the two objection codes, as BADPARTY is used if the party is incorrectly nominated but is sometimes used when DECLINED should be used.

NOACC

- This objection code should be added to the CR6800 to allow the MP/MDP to use it to object to the CR when a new site is won but the MP/MDP cannot get access to the site for various

reasons. Currently the MP/MDP contacts the retailer by phone, but to accommodate potential future mass market requirements, an automated process using objection codes might be more efficient.

NOTRESP

- ENMs are likely to be new users of this code.
- This objection code should still allow parties nominated on NMI creation CR to object if they are not responsible for the NMI, particularly if the idea of a LNSP partly completing a create NMI CR is not carried forward.

RETRO

- This is required regardless of commercial agreements, as there are a lot of operational errors that can occur and hence a retrospective transfer will need to be objected to.

CONTRACT

- There is potential for this objection code to be expanded to the MC for all regions, though only if objections can be raised for commercial reasons rather than reasons specified in the NER.
- Possibility that this could be used by MCs to block appointments of MCs by large customers.

NOTRANS

- Still required as it can affect billing. It is used by current retailers to stop other retailers from trying to win customers by using a correction CR to a previous CR, where no CR was raised in the first place (effectively an error correction objection code).
- The description should be clarified.

CRCODE

- This objection code is still required and it is similar in its usage to NOTRANS, the only difference is that it is used for Embedded Networks.

Discussions of the objection code periods (which are typically 0, 1 or 5 days) gave rise to the following comments.

- A short objection period would be reasonable, however, should a party be heavily reliant on manual processes, shortened objection timeframes would be more challenging to accommodate.
- Codes that currently have a 5-day logging period are there for exception cases, however, as a default, the 5 day logging period applies to CRs of certain types.
- Some stakeholders indicated that they still require the 5-day objection logging period as transferring a customer involves a lot of communications including calls, emails, and followup, which makes 5 days reasonable.
- Some stakeholders cautioned that reducing the objection logging period for a 6800 CR could increase the CR 6000 series used to correct errors, and also it can result in the old MP missing the CR if they needed to object and this might lengthen the process in total.
- Some stakeholders supported a general reduction in objection logging periods.

8.3.3 AEMO Proposal

Objection logging periods

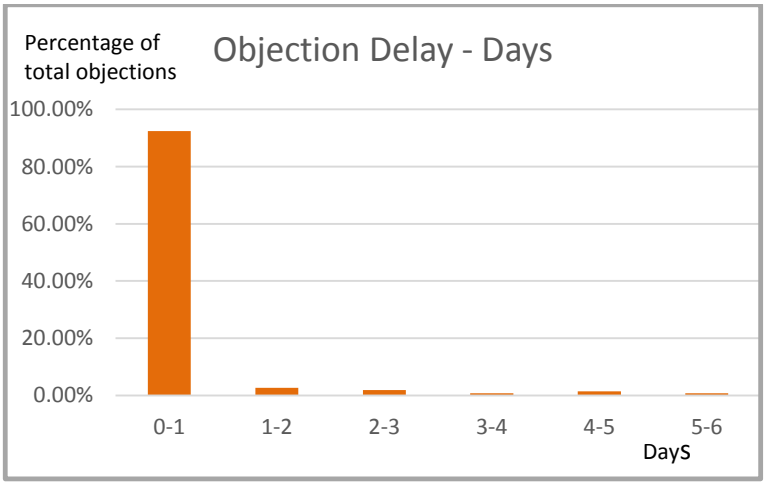
The NER do not remove the need for parties to be able to object to changes in MSATS; in some cases, they provides new reasons for a potential objection to be made, such as when a MC is proposed to be appointed by a retailer and the current MC has been appointed under an agreement with a large customer. Although the ability to apply changes or make corrections retrospectively is a key function of MSATS, a method of prevention prior to a change occurring in error can prevent rework, dispute and potential inconvenience for the customer.

Stakeholder feedback generally reflected views on changes that would benefit the stakeholders. There was little feedback in the context of the COAG-EC goal of reducing transfer times. While manual processes could be used as a reason for keeping objection periods longer, those manual processes themselves could be a barrier to reducing transfer times.

AEMO considers that the competitive framework, which will introduce new services and offerings to consumers and participants alike, requires a flexible operating framework that should not be constrained with the current objection timeframes, a primary design of which is to protect the interests of the incumbent participants and providers in relation to the metering installation. Further, it is reasonable to consider that where an existing or proposed party has an interest, financial or otherwise, that party should have systems and processes to support an objection process in a timeframe shorter than 5 business days.

Accordingly, AEMO proposes to have a maximum logging period for objections of 1 business day. Where an objection code logging period is currently 1 business day, the objection code logging period will not be altered. Where a CR does not have a current objection logging period, no new period will be proposed.

The table and graph below show an analysis of the objections accepted in MSATS between January 2015 and March 2016. This sample includes objections that were submitted within five calendar days of the change request being raised. The result indicates that around 92% of the objections were submitted within one day of the the change request submission. AEMO considers that this data further supports the proposal to reduce the objection logging period to one business day.



Objection Delay - Days	Number of Objections	Percentage of Total Objections
0-1	128,016	92.48%
1-2	3,640	2.63%
2-3	2,665	1.93%
3-4	1,073	0.78%
4-5	2,044	1.48%
5-6	992	0.72%
Grand Total	138,430	100.00%

Objection Codes

Where the code is not listed below, AEMO does not intend to make material changes in the initial amendments to the MSATS procedures.

BADDATA

- The description of the objection code will be updated to include possible valid reasons for using it.

BADMETER

- The code will be disabled and no longer used.
- The one example provided for continued use was where an MP objects to the LNSP using a CR5050/CR5051 to change NMI classification from small to large due to a non-compliant meter. In this circumstance, the objection code is being used inappropriately. If the NMI is large it should move to large and non-compliant metering must be made compliant by the MC.

BADPARTY

- The description will be updated to clarify that the code should be used when an incorrect party has been assigned, such as a retailer incorrectly appointing the MP or MDP on behalf of the MC, or when the party nominated does not have the capacity or capability to be appointed in the role proposed, including circumstances where a nominated party is not appropriately accredited to perform the role.

DATEBAD

- The code will be retained, but the wording of the description will be reviewed to ensure it accurately reflects the scenarios for which it can reasonably be used.

DEBT

- This code will be retained for use as currently described.
- The code should not be used other than described, in particular it is not available for parties to use in the general case that they have a financial debt with another participant, provider or the customer – such matters are the subject of the contracts between those parties.

DECLINED

- The code description will be updated to clarify that this objection code should be used by a party who does not want to perform the role for which they have been nominated.

NOACC

- The code will not be amended or altered.
- The CR6800 will be amended to allow the MP/MDP to use NOACC to object to the CR when the MP/MDP cannot get access to the site for various reasons.

CONTRACT

- The code description will be updated to include the scope for the current MC to object to appointments of a new MC by the FRMP when the current MC has a contract in place with a large customer.

8.4 Retailer of Last Resort Requirements – Metering Coordinator Appointment

8.4.1 Context

Section 144 of the NERL allows AEMO to make procedures dealing with any matters relating to the operation or implementation of the retailer of last resort (RoLR) scheme which could include requirements to manage the impact of meter churn following a RoLR event.

As a result of the changes to the NER, each FRMP must ensure an MC is appointed for each connection point. Arguably, this means the RoLR must appoint its own MC (if different from the current one) for each connection point transferred to it as a result of RoLR event.

There are practical issues and risks from changing the MC during a RoLR event. In particular:

- There is limited time to assess which large customers have appointed their own MC or whether the new MC/MPB/MDP group can handle the increased volume of NMIs or provide the required services;
- There could also be delays in the provision of remotely read interval metering data to support settlements if new MDP does not have meter passwords; and
- Unnecessary meter churn could arise where a new MP replaces a meter before the assessments above are completed.

Therefore, it may be preferable for the RoLR process to only change the role of FRMP. Other roles could be appointed subsequent to the RoLR transfer.

8.4.2 Stakeholder Discussion

The general view expressed from stakeholders was that there is a risk in trying to change roles other than the FRMP during the RoLR event, and that it is reasonable for only the FRMP to change from the defaulting retailer to the RoLR in a RoLR event.

8.4.3 AEMO Proposal

AEMO proposes to draft procedures so that only the FRMP role changes as a result of a RoLR event.

8.5 Network Tariff Code Updates

8.5.1 Context

Currently the LNSP maintains and updates the network tariff code at a NMI following the installation of metering, both for a new connection and for a change of metering.

As the LNSP will no longer be the party who installs and maintains the metering installation in these scenarios, is it still appropriate for the LNSP to update the network tariff code?

Alternatively, should the MP be required to update this field based on the network tariff requirements provided by the LNSP or in accordance with the instructions from the FRMP/MC?

8.5.2 Stakeholder Discussion

A number of options were discussed:

- Make no change to the current functionality – i.e. MP updates if they want to, if they leave it blank the LNSP must reinstate the value into the field. It was noted that this option requires input from the LNSP on every occasion, even when no change to Network Tariff is made;
- Make no change to what the MP can do in MSATS in terms of updating the Network Tariff Code field, but change MSATS so that if the MP doesn't populate it (through the change request CR3000 series) MSATS defaults to the existing Network Tariff Code. LNSP would

still have rights to change it subsequently. It was noted that this option would require changes to MSATS and would not provide an accurate network tariff code when the nature of the change requires an alteration to the network tariff; and

- Make it mandatory for the MP to input a value in the Network Tariff Code field based on instructions from FRMP, MP, or MC and not allow the field to be blank. Allow the LNSP to validate the value provided by the MP and alter if required. MP/MDP representatives requested that if this option was to be implemented then the C4 report should be available to MPs and MDPs.

8.5.3 AEMO Proposal

As a result of the changes, in particular, the requirement for all new and replacement metering to be performed by a competitive MP, AEMO considers that it is reasonable to require an MP to update the Network Tariff Code field based on the network tariff requirements provided by the LNSP or in accordance with the instructions from the FRMP or MC. The LNSP would still be able to validate the value provided by the MP and alter it if it has been incorrectly applied.

For child NMIs within embedded networks, the MP would create or update the Network Tariff Code based on the tariff requirements provided by the ENM, or in accordance with the instructions from the FRMP or MC. The current MSATS validation between LNSP and Network Tariff Code would be removed for child NMIs.

Availability of and access to NMI Discovery or MSATS reports would be assessed on publication of the procedures in September 2016 to ensure that the MP and MDP have access to the information they reasonably require to undertake their roles under the new framework. AEMO notes that MDPs and MPs currently have access to C4 reports.

9 Next Steps

As noted in section 1, this Information Paper has been developed by AEMO in preparation for the commencement of NER consultation on AEMO Procedures required for publication by 1 September 2016.

The next steps are outlined in the table below.

Deliverable / Milestone	Planned Date
AEMO publishes notice of first stage consultation	22 April 2016
Submissions close to first stage consultation	31 May 2016
AEMO publishes notice of second stage consultation and draft procedure determination	30 June 2016
Submissions close to second stage consultation	15 July 2016
AEMO publishes final procedure determination	26 August 2016