825 Ann Street, Fortitude Valley QLD 4006
PO Box 264, Fortitude Valley QLD 4006
ergon.com.au

15 November 2016

Ms Karen Olesnicky
Acting Chief Executive Officer
Australian Energy Market Operator
GPO Box 2008
MELBOURNE VIC 3000

Dear Ms Olesnicky

Power of Choice Procedure Changes – Work Package 2

Ergon Energy Corporation Limited (Ergon Energy) in its capacity as a Distribution Network Service Provider in Queensland welcomes the opportunity to provide comment to the Australian Energy Market Operator (AEMO) on its *Power of Choice - AEMO Procedures Change (Work Package 2)* first stage of consultation.

Please find enclosed Ergon Energy's *Participant Response Template*, which also includes feedback on AEMO's *Exemption Guideline – Small Customer Metering Installation* procedure. While AEMO is not required under the Rules to consult on this particular procedure we understand AEMO is willing to accept feedback on this document and we appreciate its willingness to do so.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact either myself on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours sincerely

Jenny Doyle
Group Manager Regulatory Affairs

Telephone: (07) 3851 6416
Email: jenny.doyle@ergon.com.au

Enc: Ergon Energy's submission

METERING COMPETITION
EMBEDDED NETWORKS
METER REPLACEMENT PROCESSES

PROCEDURE CONSULTATION

SECOND STAGE PARTICIPANT RESPONSE TEMPLATE

***Participant**: Ergon Energy - Network*

***Completion Date**: 15 November 2016*

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1. Glossary and Framework

Please delete any rows where there are no particpant comments

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

Clause	Heading	Participant Comments
2.7	Qualification Procedure	Ergon Energy seeks clarification as to whether their will be a separate Qualifiaction Procedure for Metering Coordinators.

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

Please delete any rows where there are no particpant comments

Clause	Heading	Participant Comments
3	DETERMINATION OF TYPE OF BREACH	Clartiy should be provided in regards to how this clause relates to the *Services Provider: Compliance, Assessment and Deregistration Procedure* as the processes are closely related.
3.2	Significant Breach	Ergon Energy considers that a Signifcant Breach would occur if either of the events in (a) & (b) were to occur. As such we recommend that (a) & (b) should

		be linked by an “or” and not the existing “and”.
3.3	Material Breach	As the clause notes a Material Breach includes one or more of the following, the “and” at the end of (c), should be changed to “or”.
5	REVIEW OF CAPABILITY FOR ONGOING COMPLIANCE	Clarity is required as to whether “7 days” refers to calender days or business days. Ergon Energy considers that 7 business days is a preferable timeframe to allow compliance.
9.1.1	Embedded Network Manager	Child NMIs must be taken into consideration. The child NMI, customer, MP, MDP could all be compliant but will be impacted by the deregistration or the parent, MDP, MP or Embedded Network Manager..
9.2.3	AEMO Review of Application	In the second paragraph; the “proposed” date of deregistration, should refer to the “preferred” date of de-registration to ensure consistency with 9.2.1, and the remainder of 9.2.3.

3. Exemption Procedure (Metering Installation Malfunctions)

Please delete any rows where there are no particpant comments

Clause	Heading	Participant Comments
2.4	Matters taken into Consideration	Ergon Energy strongly recommends that *Force Majeure* events also be taken into consideration. Where such events occur, MCs should be able to provide a request for a 'blanket' exemption that covers the region of the event, as it will be impossible to provide details for potentially thousands of impacted NMIs.
2.5	Grant of Exemption	Ergon Energy seeks confirmation that the exemption will commence on the date the application is **received** by AEMO, in-line with the draft procedure. At the Work Package 2 Procedures workshop, AEMO commented that exemption will commence only when applications are **approved** by AEMO. Such a scenario would result in MCs being open to breaches for the period prior to AEMO's approval being granted.

4. MSATS Procedures: National Metering Identifier

Please delete any rows where there are no particpant comments

Clause	Heading	Participant Comments
7.2	Wholesale Connection Points	Minor typographical error in clause (b), as highlighted below: (b) For wholesale connection points a NMI must… OR (b) For a wholesale connection a NMI must …

5. Qualification Procedure

Please delete any rows where there are no particpant comments

Clause	Heading	Participant Comments
1.1	Purpose and Scope	While not explicitiy required in the Procedure, Ergon Energy seeks confirmation from AEMO that existing accreditations remain applicable.
1.3	Related AEMO Documents	Ergon Energy recommends that the Accreditation Checklist should also be listed.
2.2	Pre-Reading	Given that MPs and MDPs will require considerable expertise and understanding of NMI Procedures, Ergon Energy recommends the NMI Procedures be included in the list of pre-reading for these participants.
3.3	Application Fees	Ergon Energy recommends it be stipulated that if surplus deposit funds remain once the accreditation process is complete, or when an applicant withdraws from the process, these funds be returned to the applicant.

6. Service Level Procedure – Embedded Network Manager

Please delete any rows where there are no particpant comments

Clause	Heading	Participant Comments
4.3	MSATS Setup	Ergon Energy recommends the procedure should clarify the process that will apply for an extinguished NMI, as this is not stipulated.

7. Unmetered Load Guideline

Please delete any rows where there are no particpant comments

Clause	Heading	Participant Comments
1	INTRODUCTION	No comments

8. Other Issues Related to Consultation Subject Matter

Document	Clause	Heading	Participant Comments
			No further comments

9. Exemption Guideline – Small Customer Metering Installation

Clause	Heading	Participant Comments
2.1	Basis of Exemption	Ergon Energy considers the exemption and application for exemption processes (Clause 3) to be administratively burdensome, inefficient (which will result in cost increases for customers), and indeed largely unworkable. The reasons for this position are detailed below. **Blanket Exemptions** The process outlined will mostly require a NMI by NMI determination as to whether an exemption is applicable. In Ergon Energy's regional and remote areas this is an unrealistic expectation that will drive costs. Where coverage maps demonstrate no wireless communication services are available, physical inspection of the premises will be required to determine if a landline

		connection is available "in the vicinity of the metering installation". The administration and processing of the evidence requirements per NMI will be extremely burdensome and likely stifle competition. Blanket exemptions should be allowed based on telecommunication wireless coverage maps. **Mobile Blackspots** Often telecommunication coverage maps will state a connection is available, yet the premise is situated in a 'blackspot' and communications cannot be received. Further, coverage may be technically available but the signal is not strong enough to send or receive data, or does so intermittently. For these reasons, Ergon Energy considers it will be difficult to obtain and provide evidence from telecommunications providers that coverage is not available at the premise. **Definition of a Public Telecommunication Network** 2.1 (a) Footnote 2 states that a 'public telecommunications network' includes "any other wireless forms of telecommunications". This definition would capture satellite telecommunications, which will be a very costly solution for customers. There will be few areas eligble for exemption, as telecommunication providers such as Telstra state that its Satelite Broadband "can connect from almost anywhere in Australia". Ergon Energy recommends AEMO exclude satellite communications from its definition of a public telecommunications network. **Information Requirements** When applying for an exemption, MCs are required to provide "without limitation" information on the expansion plans and timeframes of telecommunication companies. However, if this information is not publicly available the MC may not be able to obtain it, as telecommunication companies

		may not be willing to release to MCs their future business plans (for example if the information is commercial-in-confidence). **Meaning of "in the vicinity" of the metering installation** To demonstrate a telecommunications network is not available, the MC must provide evidence there is no telecommunications network in the "vicinity" of the metering installation. To enable MCs to make this determination, this phrase requires clarity / further detail, in regards to what exactly being in the "vicinity" of the meter actually encompasses. Ergon Energy strongly recommends this procedure is updated to manage these issues.
3	APPLICATION PROCESS	Please refer to response at 2.1, which highlights Ergon Energy's concerns about the proposed triggers for an exemption being possible.
3.3	Timing of Application	Ergon Energy considers that two business days is not a reasonable timeframe in which to lodge an application for exemption, particularly for regional and remote locations. Not only is travel and scheduling required, but the level of evidence that needs to be gathered is signicant and will take some time to compile. Ergon Energy considers this timeframe should more reasonably be 10 business days.
4.2	Application for Reissue of Exemption if No Change in Circumstances	Under sub clause (b), the new MC is required to attach a copy of the original exemption (which will have been issued by AEMO to the outgoing MC), and as stated in the procedure is personal to that MC. To enable compliance with 4.2(b), the procedure should stipulate an obligation on the outgoing MC to provide the original exemption form to the new MC, who is entitled to receive this information. Alternatively, as AEMO would have a record of the original

		exemption, a suitable alternative may be to require AEMO to provide it to the new MC for the purposes of them reviewing and confirming there are no circumstances warranting the expiry of the exemption.