INFORMATION EXCHANGE COMMITTEE MEETING

FOR DECISION

SUBJECT: B2B-WG REVIEW OF COINCIDENT SERVICE ORDERS FOR DE-ENERGISATION AND RE-ENERGISATION

AGENDA ITEM: N/A

PURPOSE

For the IEC to decide on the future stages of the B2B Working Group (B2B-WG) discussions relating to Coincident Service Orders (SOs) for Physical and Remote De-Energisation and Re-Energisation.

BACKGROUND

The NSW moratorium on remote re-energisation and de-energisation expired on 1 October 2020. The B2B-WG has been discussing the implementation of remote re-energisation and de-energisation as well as issues with the physical and remote de-energisation and re-energisation coincident service orders for the past 6 months. This intent of these discussions was to form a view on how to commence with remote re-energisation and de-energisation in NSW (in the first instance). Commencement of remote de-energisation and re-energisation is subject to market participants meeting NSW regulatory and safety requirements.

Although there are no legislative barriers, the SA government has not identified the process to gain approval to perform remote re-energisation and de-energisation in this state.

The B2B-WG has identified a number of issues, that may result in a negative customer experience, associated with coincident service orders for small customer metering installations (i.e. smart interval metered premises) now that physical and remote de-energisation and re-energisation requests can go to multiple parties (distributors and metering providers). The worst unintended consequence would be where a customer who has requested for a move-in energisation is instead disconnected from supply which is likely to require the customer to re-engage with their retailer to resolve the issue.

DISCUSSION

Coincident service orders occur when a Financially Responsible Market Participant (FRMP) has requested a de-energisation and an incoming retailer has requested a re-energisation of the same NMI within a five-day window. Processes to manually manage this occurrence have already been established in section 2.17 of the B2B Procedure: Service Order Process, and additional information has been provided in the B2B Guide section 6.1.4.

It is assumed that if a FRMP has systems and processes in place and has approval to perform remote services then it is highly likely that the FRMP will request for a remote de-energisation. Speculatively, the issue of coincident service orders is likely to reduce over time, as more retailers are approved to perform remote services. This means it is reasonable to assume that, over time, the volume of customers impacted by this scenario will reduce as less physical de-energisation/re-energisation SOs are requested and the majority of premises will be completed remotely.

When a customer requests an incoming retailer to connect the supply at premises, the incoming retailer must raise a re-energisation service order to the appropriate service provider. Coincident service order checks currently operate well because both the re-energisation and de-energisation service orders only go to the distributor. When a distributor receives a re-energisation service order, the distributor is responsible for ensuring supply is made available on the requested date. Actions may include:

- Cancelling any open de-energisation service order from the FRMP
- Revisiting the premise and reconnecting the premises if the de-energisation could not be cancelled due to timing
- Cancelling any new de-energisation service order from the FRMP

As such, the distributor's system effectively reconciles any de-energisation service order with an incoming re-energisation service order. The FRMP who raised the de-energisation would receive a "not complete" response advising that a re-energisation was raised by an incoming retailer.

Post the commencement of the Power of Choice Metering Competition, the FRMP can decide to either raise a physical or a remote de-energisation, with the physical de-energisation going to the distributor and the remote de-energisation to the FRMPs contracted competitive metering provider. A physical de-energisation needs to be requested with a minimum three day lead time allowing time for coincident service order checks. With the introduction of remote de-energisation, the request could be for the same day of the request. Subsequently, the timeframe for performing coincident checks narrows considerably.

Coincident checking aims to minimise customer impacts either through avoiding disruption to supply or minimising time without supply. As noted previously, these have been historically been undertaken by the distributor.

There are four coincident service order scenarios being discussed by the B2B-WG, each with four or five potential solutions being explored. The B2B-WG has discussed the potential solutions to the long-term situation where all B2B parties are involved in a new three-party coincident service order check. The B2B-WG has also designed interim measures that retailers and Metering Providers could choose to use.

Due to the time required to agree and implement a long-term industry-wide solution, Retailers and Metering Providers are working to agree on the interim measures. However, due to the manual workarounds that are labour-intensive and prone to error,

these interim processes are not considered sustainable by retailers and Metering Providers beyond 12 months from their implementation.

The B2B-WG has narrowed its preferred long-term solution down to two options and is seeking the IEC's approval to explore these further before presenting a consultation request to the IEC.

Noting some uncertainty about the order of magnitude of this issue (that can vary for each jurisdiction), some of the B2B-WG members have questioned the benefits of pursuing a costly long-term solution. Accordingly, the option of 'do nothing' can also be considered by the IEC as an alternative to progress with either or both of the solutions options detailed in Appendix B. In making this decision, the IEC could request the B2BWG to explore alternative options that do not require the level of industry investment (mainly distributors and AEMO for the preferred solutions), including ways to improve the efficiency and reliability of the interim solutions being established. However, this requires endorsement from the IEC, considering the obvious risks associated with status quo.

SUMMARY OF RESPONSES

The two preferred long-term solutions are listed in the table below with pros and cons noted. The B2B-WG wish to highlight that not all B2B-WG members equally support each of these solutions.

In general,

- a majority of Retailers and Contestable Metering representatives prefers Notified Party based solution (Option 1),
- while majority of Networks prefer centralised solution provided by AEMO (Option 2) or 'do nothing'.

Option	**Supported by (sector)**	**Not supported by (sector)**	**Reasons for support**	**Reasons for not supporting**
1. Notified Party based solution	All Retailers Metering Providers AEMO	Distributors	Most cost-effective solution for most retailers (more details in Appendix A). Some metering providers have already indicated that Notified Party based coincident SO validation is not a complex build. As such, they've already built the use of this transaction.	Distributors will have significant IT costs to enable this solution for a low volume of current coincident service orders and this volume of coincident service orders will diminish over time as more Type 4 interval (smart) meters are installed and more retailers get approval to perform remote services. This solution would apply where metering competition

Option	Supported by (sector)	Not supported by (sector)	Reasons for support	Reasons for not supporting
				and jurisdictional approval for the use of remote de-energisation/re-energisation has occurred. Some distributors have advised that they would not be able to accommodate any IT changes until late 2022 at the earliest.
2. Real time visibility of de-energisation/re-energisation service orders in NMI Discovery	Distributors	AEMO	While Retailers have not shown strong support on this solution option, there's a general view that any visibility that can be provided to the incoming retailer would be beneficial as long as it doesn't require an overhaul of retailer's re-energisation/de-energisation processes. Distributors support this solution because it provides visibility to the current retailer and would not require any changes to the distributor's processes /systems.	Based on some preliminary analysis, AEMO has indicated that the earliest time to consider implementation would be from 2023, therefore not meeting the immediate needs/issues that requires quicker resolution. AEMO notes this will be an expensive and complex change that will require recoupment of costs from industry. Retailers do not fully support this because it doesn't provide visibility of de-energisation that is raised after re-energisation is raised.

If B2B Guide, procedure and/or system changes are required, the B2B-WG will recommend that these changes be included in the v3.7 consultation tentatively scheduled for Q1 2021.

The B2B-WG will develop any required ICFs and provide them for the IEC's consideration at a 2021 IEC meeting.

AEMO suggests that as there is not one solution that has been proposed that is in the long-term cost effective and efficient, an alternative approach may be to hold discussions with the relevant state governments to work out how to avoid potential negative customer outcomes.

Discussions could look at ways to avoid the clash between physical and remote services for move out de-energisations for interval metered premises; or mandating all retailers to obtain approval for remote services by a certain date; and that remote services must always be used as the preferred method.

Noting that move out/move in scenarios generate the majority of coincident service orders, AEMO also suggests that this scenario may be one that the IEC considers for input into the AEMC's current Metering Competition review as a difficult situation that arises from differing jurisdictional positions rather than a national approach.

NEXT STEPS/ACTION REQUIRED FROM THE IEC:

Selection criteria of the proposed solution should be aligned with the B2B factors, B2B principles and NEO, i.e. to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to: price, quality, safety and reliability and security of supply of electricity; the reliability, safety and security of the national electricity system.

However, since the B2B-WG is not able to agree unanimously on these solution options, B2B-WG has agreed that the IEC provides direction on whether the B2B-WG should:

1. Proceed with exploring the detailed change required for either solution or both solutions to enable a consultation in 2021, or

2. Make no changes to the B2B eHub or B2B Procedures and explore alternative options that do not require the level of industry investment (mainly Distributor and AEMO costs), including ways to improve the efficiency and reliability of the interim solutions being established.

APPENDIX A

Upon completion of initial analysis on the 'coincident' service orders issue, B2B-WG retail members issued a 'request for feedback' via the AEC to gather information from retailers that are not directly represented in the B2B-WG. Retailers reviewed the document and provided their preferred solution options in a ranking table and based on the responses it is evident that retailer's strongly favoured Notified Party based solution, as B2B-WG received 7 responses and the top two preferences are provided below, notably all Retailers favoured to progress with a full consultation on Notified Party based solution.

Responses collected during November 2020:

	Rank 1	Rank 2
AGL	Notified Party (A1, B1, C1, D1)	Email based solution (A4, B4, C3, D3)
Origin **(No rankings provided)**	Two re-ens (A3, B3, C2, D2)	Notified Party (A1, B1, C1, D1)
EnergyAustralia **(No rankings provided)**	Notified Party (A1, B1, C1, D1)	N/A
Simply Energy	Notified Party (A1, B1, C1, D1)	Email based solution (A4, B4, C3, D3)
Red/Lumo	Notified Party (A1, B1, C1, D1)	Email based solution (A4, B4, C3, D3)
Powershop	Notified Party (A1, B1, C1, D1)	Hybrid A2, B2, C2, D2
Alinta	Notified Party (A1, B1, C1+C3, D1+C3)	(Real-time MSATS) A2, B2, C4, D4

Metering Providers also indicated that they would encourage the use of Notified Party transaction to be utilised for the management of coincident service orders as some of the Metering Providers have already implemented the required validations.

Please note that on Monday 8 May 2017, when IEC made the decision to not mandate Notified Party transaction in the Procedures, IEC agreed to revisit the requirement if

there's evidence to show that the non-binding arrangements are resulting in inefficient outcomes for the market and end-consumers:

5. B2B Procedures – IEC recommendation to amend the B2B procedures

The Committee approved the final B2B procedures amendments and agreed to make an IEC recommendation to AEMO to amend the B2B procedures, subject to the following changes:

- **Notified parties:** A key issue raised during the B2B procedure consultation is whether to place mandatory obligations on retailers to notify parties for all service order requests. The IEC noted that having a level of awareness of what other parties are doing in the supply chain may help minimise issues and efficient delivery of customer outcomes. The IEC also noted that there are avenues (i.e. through MSATS) to receive information to minimise inefficient visits to customer sites; and the decision to build the functionality into the system is a commercial one (based on retailer review of the workings of internal process and customer feedback).

  IEC resolution: the IEC resolved to make the obligation to notify parties for service orders a non-binding obligation. The IEC noted the e-hub will have this functionality and a number of distributors and retailers are building this functionality into their systems and processes. The IEC agreed to revisit the requirement, after 1 December 2017, if there is evidence to show that the non-binding arrangements are resulting in inefficient outcomes for the market and end-consumers.

APPENDIX B: PROPOSED SOLUTION OPTIONS

Option	High level solution design	Pro/benefits	Con/costs	Customer benefits
1. Enhanced use of Notified Party Notification	1. **Incoming Retailer** must include the DNSP as a Notified Party when the a Re-en SO is sent to the MP 2. On receipt of the Notified Party the **DNSP** must: • Cancel a pending de-energisation SO (within the 5-day window). • Cancel a future received de-en (within the 5-day window). 3. On receipt of the Re-en SO the **MP** must do a remote service check to see if the meter is energised and if not then communicate this	• DNSP has ability to communicate to the incoming retailer if the Re-en was completed or not completed • Existing Rules for Coincident SOs will work in this scenario • Majority of Retailers have built this NP transaction and use it on a daily basis. • NotifiedParty Transaction is currently in use by Retailers to notify DBs, and also used by DBs in managing their 'no supply' customer calls before rolling the truck for site visit. • Most cost effective solution for majority of retailers (based on the feedback received by	• Enforces the use of NPN (currently a non-mandatory transaction) so that all retailers are enabling the same consistency of application of the solution by Metering Providers and Distributors. • NotifiedParty Transaction has not been mandated in the B2B Procedures to require the recipient to do an action (it's just an FYI). • Some DNSPs advised this will mean significant IT enhancements and cost. • Need to be cognisant of impact this would have on states where remote	Highly likely to resolve/prevent unintended de-energisation from occurring.

Option	High level solution design	Pro/benefits	Con/costs	Customer benefits
	when they send a Not Complete for the Re-en SO. 4. On receipt of a not complete response for the Re-en SO indicating no supply, the **incoming retailer** must raise a Re-en SO to the DNSP.	retailers, provided in Appendix A). • Aligns with current expectation of some DNSPs (e.g. Ausgrid) that retailers use Notified Party transaction. • Only 1 SO required, unless site is de-energised. • No AEMO system enhancement required	services have not been allowed. • Two SOs potentially required • Does not provide ability for the DNSP to notify incoming retailer that the DEEN was already carried out/inflight at the time of NPN receipt and could not be prevented as an NPN does not provide for responses.	
2. Real time visibility of de-en/re-en service orders in NMI Discovery	Change to AEMO MSATS and B2B systems and retail electricity system architecture to enable incoming retailers and FRMPs to see inflight de-en/re-en service orders to perform a coincident service order check	• Incoming retailers will have visibility of current MP and DNSP in NMI Discovery or other similar GUI • Upfront visibility to the incoming retailer allows them to direct the SO to the correct party • Existing Rules for Coincident SOs will work in this scenario	• Could reverse change to customer switching that enabled the implementation of the ACCC recommendation to avoid save activities by retailers. • Requires reengineering of AEMO's MSATS (B2M) and B2B systems to enable them to interact with each other • Requires interfaces that operate within 'real time'	Same as above

Option	High level solution design	Pro/benefits	Con/costs	Customer benefits
			• Requires data updates in MSATS within 'real time' • Significant IT costs • Timeframe to make this significant change may be longer than other options.	

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