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DRAFT DETERMINATION – PARTICIPANT RESPONSE PACK METER CHURN PACKAGE

General Feedback

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1. Proposed Changes

- Meter Churn procedure for Financially Responsible Market Participants (New Document)
- SLP Metering Data Provider Services Section 8 and Section 9
- SLP Metering Provider Services Category B for Metering Installation Types 1, 2, 3, 4, 5 and 6

NOTE: No proposed changes have been populated please refer to mapping documents and change marked procedures. Please complete where necessary Please include your comments in the 'Participant Comment' column below.

A. Proposed Changes to the Meter Churn Package

Item	Participant Comments	Company	AEMO Comments
1	Effective Date December 2014 – related to time for the implementation of system and process changes and supply arrangements.		
	AGL recommends AEMO considers postponing the effective date of the procedures to provide time to determine a solution that is consistent with the rules and provide time for participants to assess and deliver the changes. AGL proposes AEMO considers postponing the effective date of the procedures to September 2015.	AGL	Based on the feedback received, AEMO has included a proposed effective date as part of the draft determination.
	Whilst the Procedures are finalised on the 31st of December EnergyAustralia proposes and effective date of 30th September 2015 is more achievable as a minimum.	Energy Australia	
	Origin suggests that at the very least, AEMO and the Industry propose a new effective date of implementation as suggested by the ERAA of 30 th September.	Origin Energy	
	Should AEMO proceed with the Proposed Procedures, the ERAA would strongly recommend that a revised implementation date of 1 September 2015 be considered.	ERAA	

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	The implementation date – Lumo Energy recommend that AEMO delay the implementation of these Procedures until at least 1 September 2015.	Lumo Energy	
2	NEO test and relationship with the AEMC work on metering competition rule change.		
	In order to ensure this market change meets the NEO EnergyAustralia has been unable to receive any information from AEMO that substantiates the necessity for this procedural change other than to align the procedure to the Rules. EnergyAustralia is very concern this change will push consumer behaviour to a place that isn't consistent with the current Power of Choice intentions for competition in the metering.	Energy Australia	AEMO notes that the rule change process to develop the National Electricity Rules (NER) considered the National Electricity Objective (NEO) through its development and consultation processes. The changes to the procedures are designed to resolve inconsistencies with the NER requirements.
	The Proposed Procedures are inconsistent with the intent of the Australian Energy Market Commission's (AEMC) rule change on competition in metering and related services (the Rule Change) in that the Proposed Procedures will increase the barriers to small customer meter advancement. The ERAA is in strong support of the AEMC's work to encourage customer choice of advanced metering and associated products. We understand that the inconsistency between the National Electricity Rules (NER) and the meter churn procedures must be addressed. However it is our view that there is a strong case for the current industry process to be incorporated into the NER, particularly as the AEMC's process is expected to see significant redrafting of Chapter 7 of the NER.	ERAA	AEMO notes that interested parties with be able to provide submissions into any proposed changes to the NER as a result of the AEMC's work on metering competition, including those that relate to meter churn.

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However it is our view that there is a strong case for the current industry process to be provided for in the Rules. Given the extensive redrafting of Chapter 7 of the NER expected in response to COAG Energy Council's rule change request on metering contestability, it is prudent to give full consideration to this option.	ERM	
A better way to address this issue would be through a broader process including possible rule changes as well as procedure changes and I believe that this could be delivered under the AEMC's current rule change request for expanding competition in metering and related services.	Energy Action	
In particular, Lumo Energy has the following key concerns: • The interrelationship with the Meter Contestability Rule Changes – Lumo Energy agrees with the ERAA position that the proposed rule changes and the proposed procedure changes are inconsistent. Lumo Energy would like AEMO to quantify the detriment caused to customers with the existing process, should AEMO continue with the Procedure as proposed.	Lumo Energy	
We believe a more appropriate course of action would be for the AEMC to consider the need for change and the potential anti-competitive implications in the context of the current rule change process.	Powermetric	
	However it is our view that there is a strong case for the current industry process to be provided for in the Rules. Given the extensive redrafting of Chapter 7 of the NER expected in response to COAG Energy Council's rule change request on metering contestability, it is prudent to give full consideration to this option. A better way to address this issue would be through a broader process including possible rule changes as well as procedure changes and I believe that this could be delivered under the AEMC's current rule change request for expanding competition in metering and related services. In particular, Lumo Energy has the following key concerns: • The interrelationship with the Meter Contestability Rule Changes – Lumo Energy agrees with the ERAA position that the proposed rule changes and the proposed procedure changes are inconsistent. Lumo Energy would like AEMO to quantify the detriment caused to customers with the existing process, should AEMO continue with the Procedure as proposed. We believe a more appropriate course of action would be for the AEMC to consider the need for change and the potential anticompetitive implications in the context of the current rule change	However it is our view that there is a strong case for the current industry process to be provided for in the Rules. Given the extensive redrafting of Chapter 7 of the NER expected in response to COAG Energy Council's rule change request on metering contestability, it is prudent to give full consideration to this option. A better way to address this issue would be through a broader process including possible rule changes as well as procedure changes and I believe that this could be delivered under the AEMC's current rule change request for expanding competition in metering and related services. In particular, Lumo Energy has the following key concerns: • The interrelationship with the Meter Contestability Rule Changes – Lumo Energy agrees with the ERAA position that the proposed rule changes and the proposed procedure changes are inconsistent. Lumo Energy would like AEMO to quantify the detriment caused to customers with the existing process, should AEMO continue with the Procedure as proposed. We believe a more appropriate course of action would be for the AEMC to consider the need for change and the potential anticompetitive implications in the context of the current rule change

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3	Potential impacts to customers		
	AEMO appears to have given no consideration to the impact this change has to the customers impacted, with this change a customer could have to wait up to 2 months before realising the benefit of interval data and the contract benefits. • This process will add further complexity to an already confusing market for customers moving from type 6 to interval. Customers will be looking for the benefits of the new contract from day one. The realisation of these benefits won't occur until the meter is changed, which could be up to 40 business days post the transfer. This is a very long time to wait before commencing to receive these benefits and a very confusing message.	Energy Australia	AEMO notes that the NER does not inhibit the financially responsible market participant (FRMP) for the market load in MSATS or the responsible person (RP) from initiating a meter churn to move the meter installation from a type 5 or 6 to a type 1-4. The NER does ensure that there is a controlled process to perform such a change and that the RP
	For customers transitioning from a type 5-6 meter to type 1-4 meter, there will be no interval data for the "gap period". Accordingly, the basis for levying energy supply and network charges will become uncertain for this period, which is likely to lead to increased costs for our customers.	Energy 4 Business	for the type 5 or 6 metering installation knows that the proposed meter churn is being initiated from an authorised party and that they have surety in the transition of their role and associated obligations as RP.
	Restrictions in the customer transfer process mean that there will be a transitional period of up to 40 business days between the start of the retail contract and meter replacement.	ERAA	AEMO notes that the timeframes to perform transactions in market systems and potentially for any relevant
	This proposed change will severely disadvantage customers wishing to change retailers and metering providers at the end date of the current contract, where a market contract is already in place, or at an agreed start date when a new market contract is to be commenced.	WATT Utilities	"cooling off periods" are not for consideration in the procedures under consultation, they are managed in other instruments.
	Therefore, the potential ability for small customers (existing type 5 & 6) to receive a type 4 meter in the future will be disincentivised under		AEMO notes that the volume of customers moving between metering installation types 5 and 6 to type 1, 2, 3 and 4 are

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	the proposed procedure. Lumo Energy considers this a poor customer outcome.	Lumo Energy	typically very low, AEMO records showing less than 10 per week on average across the NEM. AEMO notes that the current AEMO procedure allows parties with no formal relationship with the NMI to interfere with the metering devices, disabling the current providers ability to provide services to customers and placing the current RP at risk of a NER breach.
4	Process changes and commercial arrangements		
•	Current Process In order to efficiently access metering data and other value-adding services, we typically recommend that our customers utilise the services of our preferred metering services provider (for MP/MDP roles). If a meter change is required, we seek to have this completed in a timeframe that provides for the new meter(s) to be in place concurrent with the commencement date of the customer's energy supply agreement. Proposed New Procedure Where a customer enters into an energy supply agreement with a new retailer, our understanding is that the proposed procedure change would effectively mean that the new retailer cannot request a change of MP/MDP until it becomes the FRMP/RP. This will result in a "gap period" between the start date of the customer's new energy supply agreement and the meter change date. This period might typically be around 15-20 days and could be significantly longer in some circumstances. We foresee some highly undesirable outcomes as a result of this proposed change, i.e.	Energy 4 Business	AEMO considers that the requirements of the NER with respect to meter churn do not preclude a third party from obtaining a customers' data from the existing provider. Data delivery for type 1, 2, 3 and 4 metering installations is standardised within the NEM so there is no practical or technical impediment from receiving data from one provider or another. Whether a party wishes to perform meter churn rather than utilise the existing providers services is a matter for commercial agreement and is therefore not for consideration in the NER or associated procedures.

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Item	o Service providers such as e4b will be forced to negotiate with a range of MDPs to access data for the "gap period", leading to increased costs for our customers. The provision of metering services during the "gap period" will remain the responsibility of the incumbent MP/MDP, however, the terms upon which these services will be provided may be ill-defined or punitive, and are likely to result in increased costs and/or a reduction in the level of competition for the provision of metering services. Firstly, there will be a requirement for interim contracts between retailers and the current metering service providers at the site. Currently, such short term contracts are rarely offered by metering service providers, and those that are offered attract a substantial premium. The cost of this additional contract must be factored into the responsible person or customer's decision to have the meter replaced, making it more expensive and less convenient to upgrade the meter than to continue with the incumbent providers and their asset. This is expected to disincentivise advancement of the small customer metering fleet. Secondly, consider the scenario where a small customer seeks to upgrade its basic meter to a type 1-4 meter. The current procedures allow the incoming retailer to request a meter change in advance of the contract start date, so that the required meter is operational when the contract commences. As the retail tariff must be billed according to the metering installation and network tariff at the site, during this transitional period the retailer would be required to bill the customer	ERAA	AEMO comments AEMO notes that the current AEMO procedures facilitate a "gap period", which could occur at any time, but in particular toward the back end of any contracted arrangement, where a party with no formal relationship with the NMI can interfere with the metering devices, disabling the current providers ability to provide services and placing the current RP at risk of a Rules breach. AEMO also note that the transition from a type 5 or 6 metering installation to a type 1, 2, 3 or 4 metering installation to a type 1, 2, 3 or 4 metering installation does not provide any market uncertainty for the levying of energy supply or network charges. How participants and other providers wish to arrange their contracts with customers or each other is a matter for
	on the basic meter network tariff structure until a new meter is installed, rather than the customer's choice of tariff. This will create consumer confusion, increase disputed bills and impact on customer complaint levels. The ERAA is of the view that this is not in the long term interest of consumers. The proposed changes will also have a revenue impact on the		commercial consideration between those parties and is not considered in the NER. AEMO note that the risk of an incoming RP being exposed to
	companies that use 3 rd party metering providers. If the meters are not installed in a timely fashion due to these proposed changes revenues		a compliance issue created by a previous RP is an inherent

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	are not paid until meters are installed. These proposed changes also effect the service delivery capability of the 3 rd party providing services to the end client. Services cannot be provided until the meter is installed.	WATT Utilities	component of the retail transfer market and is not exacerbated by the removal of the inconsistencies between the AEMO meter churn procedures and the NER. AEMO note that
	Under current practice it is common, when a customer changes supplier, for the incoming retailer to initiate a meter change request prior to itself becoming the FRMP. This practice has several advantages including: • Where the new supply contract requires a meter upgrade from type 5-6 to type 4 or better the advance meter change out allows the new contract to commence in a clean manner. Meter changes of this type are commonly required if the customer is to receive more competitive energy pricing and delays in the process may result in customers being subjected to non-competitive rates or to default rates where this is not necessary. • Where the new supply contract is supported by a contract management service the data required to deliver that service will immediately be available upon commencement of the contract. If the procedure changes take effect as they currently stand not only will these processes be disrupted, but all of the parties involved in the transfers and meter installations will have to come to terms with the new arrangements. This will not be easy.	Energy Action	the current AEMO procedures allow for a party who has no formal relationship with the NMI to interfere with the metering devices, disabling the current providers' ability to provide services and placing the current RP at risk of a Rules breach.
	The proposed Procedures would require the incoming retailer to recontract with the incumbent metering service providers, at least for a transitional period until the retail transfer has completed and the roles may be changed. The existing service providers have a strong incentive to take advantage of their incumbency to force incoming retailers into longer term contracts. To our knowledge, short term metering service agreements are offered at a significant premium for this reason. This short term contract need has the effect of an additional exit fee which customers must pay in order to exercise their choice of service providers. It is therefore a new barrier to competition and would certainly hinder our market entry.	Powermetric	

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	AEMO's reference to 7.3.4 (m) of the Rules appears to also reference only type 5 or Type metering installations. There is concern internally in regards to exits fees and with on passing fees to customers where existing metering is transferred, in particular where negotiation with customers non- preferred service providers are anticipated. In addition there is concern with being exposed to meter compliance errors we may migrate with existing metering and with meter providers who are not the customers preferred meter provider, inheriting a site with an error causing a rebill and or meter investigation which untimely may result in a bad customer experience for the customer when the customer receives their first retail bill from their new FRMP.	AGL	
5	Procedure drafting		
	We are also concerned that the procedure is not fully formed in that the bulk of the process flows have been deleted. The Proposed Procedures should not be implemented until these diagrams have been completed.	ERAA	AEMO – with regard to the consultation process, this proposed set of procedure changes is currently the subject of a formal consultation as defined in the NER. With regard to the procedure not being fully formed as a result of the process flows being deleted, AEMO note that process flows are only added to procedures to provide a pictorial representation of the stated requirements.

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6	Grandfathering executed retail contracts		
	The ERAA requires that retail contracts that have been executed but have not yet commenced are grandfathered from the procedural changes to minimise customer and retailer impacts. If grandfathering was not granted, renegotiation would be required to account for the additional metering service provider contract discussed above.	ERAA	AEMO considers that the ERAA and members consider these commercial considerations in the submissions to the proposed effective date in the draft determination.
7	Potential change request to the NER and alternative proposals		
	The scope of the Procedures could be limited to type 1-4 meter churn with the existing process continuing for type 5 and type 6 meters. The issue relating to applying the customer's choice of tariff caused by the Proposed Procedures only impacts the replacement of a type 6 meter with a type 1-5 meter. This alternative proposal would additionally reduce the need for system changes, and support the policy objective of encouraging small customer uptake of advanced metering. While we note the contractual issues and competitive issues would remain unresolved, we view this option as a viable alternative option to apply until a change to the NER could be effected, should AEMO be obliged to proceed with a change to the procedures at this time.	ERAA	AEMO note that there is no restriction on any party making a Rule change request regarding the provisions for meter churn within the NER. Until such time as the NER provisions for meter churn change, AEMO procedures are required to align with the NER. AEMO also notes that there will be an opportunity for all
	While a rule change is our preferred solution, we also consider that the negative consequences of this proposal could be reduced if the scope was limited to existing type 1-5 meters, and the current process may continue be utilised for existing type 6 meters. That is, where a prospective FRMP intends to replace a type-6 meter with a type 1-5 meter, they may do so prior to completion of the retail transfer. This would resolve the operational issues around tariff application and small multi-site contracts, reduce the need for system changes, and support the policy objective of encouraging small customer uptake of advanced metering. While we note for type 1-5 meter replacement the contractual issues and potential for	ERM Business Energy	interested parties to provide submissions into any process to facilitate changes to the NER with regard to the AEMC's current work on metering competition, including matters relating to meter churn.

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	associated anti-competitive behaviour would remain unresolved, we offer this as an alternative means of addressing the inconsistency by change to the NER, should AEMO be obliged to proceed with a change to the Procedures at this time. The outcome of this consultation process will determine the need for ERM Business Energy to consider options for amendment to the NER to provide for prospective FRMP meter replacement for all meter types.		
8	MDP in the Rules		
	Whilst Energy Australia recognises AEMO has identified a discrepancy between the Rules and the Procedures the management of this discrepancy has been disappointing for the following reasons: AEMO had precedent of discrepancies between Rules and Procedures previously. In that situation AEMO put forward a Rule change to reflect the market function as seen when the MDP role was included in the Rules.	Energy Australia	AEMO notes that the MDP in the Rules process was not related to correcting an AEMO procedure due to that procedure being in breach of NER provisions and does not consider it a relevant example in this instance.
	Other Documentation Changes		
9	CATS Procedures		
	Delete clause 2.6.j: In accordance with the MDP Service Level Requirements, provide data to the current MDP if the current MDP is no longer able to obtain the data for the period where the current MDP is active due to meter churn.	Endeavour	AEMO will review this clause along with the BMRG to ensure it can be removed. If this clause is to be removed it will be done in line with a

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	Delete this clause as it is no longer required and would remove a		CATS Procedure consultation and prior to or aligning with the
	conflict with the new obligations on MDPs.		effective date of the Churn Procedures.
10	MDFF Specification		
	Change to clause 5.3.MeterSerialNumber: Faceplate serial number as per Standing Data for MSATS. This should be the eld new meter serial number on the IntervalDate when the meter is replaced. Therefore, the recipient of this information should not dispute the validity of the configuration for interval metering data provided on a meter change date.	Endeavour	AEMO – agree non material changes will be made to the MDFF Spec Document and the effective date will align with the final determination for the Churn Package.
	Not required for type 7 metering installations, logical meters, historical data,		
	or where multiple meters are summated to form a single RegisterID.		
	Changed this clause to align with the new obligations on MPs and MDPs		