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DRAFT DETERMINATION – PARTICIPANT RESPONSE PACK METER CHURN PACKAGE

General Feedback

Table of Contents

- 1. **PROPOSED CHANGES**3
- A. PROPOSED CHANGES TO THE METER CHURN PACKAGE3

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.		
	<p>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.</p> <hr/> <p>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.</p> <hr/> <p>Origin suggests that at the very least, AEMO and the Industry propose a new effective date of implementation as suggested by the ERAA of 30th September.</p> <hr/> <p>Should AEMO proceed with the Proposed Procedures, the ERAA would strongly recommend that a revised implementation date of 1 September 2015 be considered.</p>	<p>AGL</p> <p>Energy Australia</p> <p>Origin Energy</p> <p>ERAA</p>	<p>Based on the feedback received, AEMO has included a proposed effective date as part of the draft determination.</p>

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	<p>the proposed procedure. Lumo Energy considers this a poor customer outcome.</p>	<p>Lumo Energy</p>	<p>typically very low, AEMO records showing less than 10 per week on average across the NEM.</p> <p>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.</p>
<p>4</p>	<p>Process changes and commercial arrangements</p>		
	<p>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.</p> <p>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.</p>	<p>Energy 4 Business</p>	<p>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.</p>

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	<p>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.</p> <p>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.</p> <hr/> <p>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.</p> <p>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 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.</p> <hr/> <p>The proposed changes will also have a revenue impact on the companies that use 3rd party metering providers. If the meters are not installed in a timely fashion due to these proposed changes revenues</p>	<p style="text-align: center;">ERAA</p>	<p>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.</p> <p>AEMO also note that the transition from a type 5 or 6 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 commercial consideration between those parties and is not considered in the NER.</p> <p>AEMO note that the risk of an incoming RP being exposed to a compliance issue created by a previous RP is an inherent</p>

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	<p>AEMO’s reference to 7.3.4 (m) of the Rules appears to also reference only type 5 or Type metering installations.</p> <p>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.</p>	<p>AGL</p>	
<p>5</p>	<p>Procedure drafting</p>		
	<p>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.</p>	<p>ERAA</p>	<p>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.</p>

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	<p>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.</p> <p>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.</p>		
8	MDP in the Rules		
	<p>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:</p> <ul style="list-style-type: none"> 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	<p>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.</p>
	Other Documentation Changes		
9	CATS Procedures		
	<p>Delete clause 2.6.j:</p> <p>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.</p>	Endeavour	<p>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</p>

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