

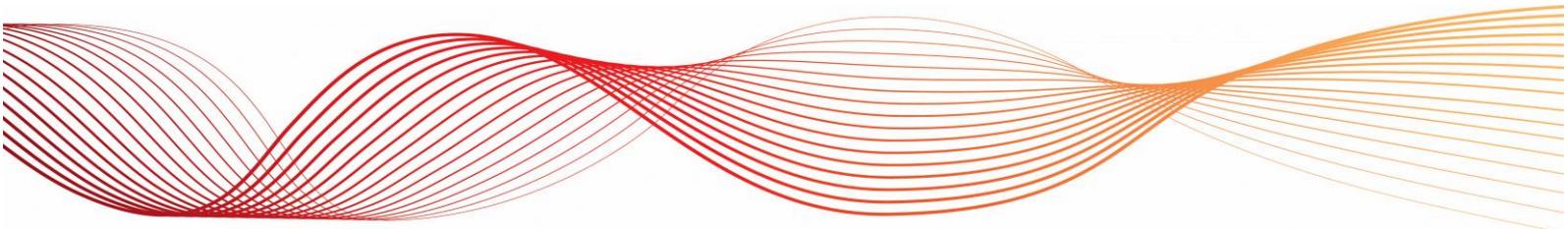


# POWER OF CHOICE PROCEDURE CHANGES

(PACKAGE 3)

FINAL REPORT AND DETERMINATION

Published: **1 September 2017**





# NOTICE OF FINAL DETERMINATION – POWER OF CHOICE PROCEDURE CHANGES (PACKAGE 3)

## NATIONAL ELECTRICITY RULES – RULE 8.9

**Date of Notice:** 1 September 2017

This notice informs all Registered Participants and interested parties (**Consulted Persons**) that AEMO has completed its consultation on the Power of Choice Procedure Changes (Package 3).

This consultation was conducted in accordance with the rules consultation requirements detailed in rule 8.9 of the National Electricity Rules (NER), in response to the following rule amendments:

- The National Electricity Amendment (Expanding competition in metering and related services) Rule 2015 No. 12,
- The National Electricity Amendment (Embedded Networks) Rule 2015 No. 15, and
- The National Electricity Amendment (Meter Replacement Processes) Rule 2016 No. 2

### **Determination and Publication**

AEMO's final determination is to make the Package 3 Procedures in the form published on the AEMO website<sup>1</sup>.

In accordance with the clauses 11.86.6, 11.87.2 and 11.88.2 of the NER the Package 3 Procedures will commence on 1 December 2017 with the exception of the Qualification Procedure (MP, MDP, & ENM) which will commence on 2 September 2017.

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<sup>1</sup> <http://www.aemo.com.au/Stakeholder-Consultation/Consultations/Power-of-Choice---AEMO-Procedure-Changes-Package-3>



## EXECUTIVE SUMMARY

The publication of this Final Report and Determination (Final Report) concludes AEMO's consultation on the development of the Package 3 Procedures under clauses 11.86.6, 11.87.2, and 11.88.2 of the National Electricity Rules (NER) as required by the National Electricity Amendment (Expanding Competition in Metering and Related Services) Rule 2015 No. 12, National Electricity Amendment (Embedded Networks) Rule 2015 No. 15 & National Electricity Amendment (Meter Replacement Processes) Rule 2016 No. 2 (the Amending Rules).

AEMO has developed the Package 3 Procedures (Procedures) to make corrections and amend errors to procedures developed under the Power of Choice (PoC) program a full list can be found below.



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# 1. STAKEHOLDER CONSULTATION PROCESS

AEMO has consulted on the Package 3 Procedure changes in accordance with the Rules consultation procedures in clause 8.9 of the NER.

This Final Report is published in accordance with clause 8.9(k).

There is a link to all submissions received during the second stage of the consultation at **Appendix A**.

The Package 3 Procedures are published on AEMO's website at:

<http://www.aemo.com.au/Stakeholder-Consultation/Consultations/Power-of-Choice---AEMO-Procedure-Changes-Package-3-Final>



## 2. BACKGROUND

### 2.1 Matters under consultation

Package 3 changes have been drafted to procedures previously amended or developed as part of the POC consultations, however, the following is a list of procedures with identified changes that will be noted in this notice.

INSTRUMENT	NEW AMENDED	/ NER REFERENCE
Glossary and Framework	Amended	7.16.1(f) <sup>2</sup>
Meter Data File Format	Amended	7.16.6
Metrology Procedure: Part A	Amended	7.16.3
MSATS Procedures: CATS Procedure Principles and Obligations	Amended	7.16.2
MSATS Procedures: Procedure for the Management of Wholesale, Interconnector, Generator and Sample (WIGS) NMIs	Amended	7.16.2
Service Level Procedures for MDP	Amended	7.16.6
Service Level Procedures for MP	Amended	7.16.6
Qualification Procedure	Amended	S7.2.1(b), S7.3.1(c), S7.7.1(b)

### 2.2 Context for this consultation

In 2012, the AEMC commenced the Power of Choice Review (Review). Its objective was to ensure that the community's demand for electricity services was met by the lowest cost combination of demand and supply side options. This objective was best met when consumers were using electricity at the times when the value to them was greater than the cost of supplying that electricity (i.e. the cost of generation plus poles and wires).

A number of recommendations made as a result of this Review have been implemented through a series of amendments to the NER.

Following the publication of procedures in Packages 1 and 2, AEMO has identified the need to make a number of minor amendments to those procedures, such as corrections to table references and the removal of superfluous text. In addition to those minor amendments, a number of matters have come to AEMO's attention of a more material nature, through a combination of internal review, consultative workshops and correspondence with interested parties, including:

- Procedural issues that are seen as unnecessarily restrictive;
- Alignment of procedures released in Package 1 with corresponding changes in procedures released in Package 2;
- Removal of redundant legacy provisions in procedures; and
- Issues regarding the requirement to specify when an existing metering installation that is to be replaced by an MC may be a 'network device'.

<sup>2</sup> This document is incorporated into and forms part of all the other Procedures.



The scope of this Package 3 is limited to the AEMO proposals to change procedures as summarised in this paper and reflected in the consultation material for this Package 3.

## 2.3 First stage consultation

On 19 May 2017, AEMO issued a Notice of First Stage Consultation, after it also published a Consultation Paper a week earlier and draft procedures for Package 3. This information is available on AEMO's website<sup>3</sup>.

AEMO received 26 submissions in the first stage of consultation. Copies of all written submissions and AEMO's responses have been published on AEMO's website<sup>4</sup>.

## 2.4 Second stage consultation

On 27 June 2017, AEMO issued a Notice of Second Stage Consultation along with the Draft Report and Determination and draft procedures for Package 3. This information is also available on AEMO's website.<sup>5</sup>

The Draft Determination included the changes identified in the Initial stage and further minor amendments.

In response to the notice of the second stage of consultation, AEMO received 14 written submissions.

Copies of all written submissions (excluding any confidential information) have been published on AEMO's website.<sup>6</sup>

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<sup>3</sup> <http://www.aemo.com.au/Stakeholder-Consultation/Consultations/Power-of-Choice---AEMO-Procedure-Changes-Package-3>

<sup>4</sup> Available at: <http://www.aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/Retail-meetings/Power-of-Choice>

<sup>5</sup> Available at: <http://www.aemo.com.au/Stakeholder-Consultation/Consultations/Power-of-Choice---AEMO-Procedure-Changes-Package-3DD>

<sup>6</sup> Available at: <http://www.aemo.com.au/Stakeholder-Consultation/Consultations/Power-of-Choice---AEMO-Procedure-Changes-Package-3DD>



### 3. SUMMARY OF KEY ISSUES

The changes outlined in the consultation paper and included in procedures published with the Initial draft of Package 3 have largely been retained, along with some further corrections and refinements made subsequent to submissions received in both first and second stages. A number of formatting and syntax corrections have been made based on submissions from participants but these do not change any obligations or lead to any system or schema changes.

AEMO received a number of comments in submissions regarding corrections to tables in the MSATS CATS Procedure regarding the use of objection codes in various circumstances. AEMO wishes to re-iterate that the substantive consultation on the definition and use of objection codes was undertaken through the Package 1 procedure consultation, the final procedure being published on 31 August 2016. Changes made in this consultation were error corrections, where the new definition had not been wholly reflected in tables within the procedure. Changes to the tables, in particular in relation to the BAD METER and CONTRACT objection codes, do not change the allowable use of the codes, rather they reflect the correct use.

There were a number of suggestions made in the second stage consultation where AEMO considers further consideration is warranted, these include:

1. Arrangements for the retrospective reinstatement of the LNSP as initial MC, specifically whether the procedures should consider specific scenarios where this might occur and arrangements upon which parties may and may not object through MSATS retrospective CR processes;
2. Providing greater definition with regard to the use of the RETRO objection code, considering the CRs on which it can be used;
3. Rules that deal with various scenarios regarding role appointment, such as the treatment of a prospective appointment of a new MP by the current MC, where the MC role changes prior to the appointment of the new MP; and
4. Removing the ability for the FRMP to appoint the MDP via a 6200/6210 CR as it appears out of step with the related 6700/6701 CR, and as the FRMP has the ability to appoint roles already via other CRs, as agreed with the MC.

These issues require full consultation and therefore it is not possible to include them at this stage of the consultation for Package 3 and a review of these issues will need to commence at a later date. However, AEMO does not intend to commence a formal review of these items before 1 December 2017, which is effective date of the Competition in Metering Rule. The need for changes to be made as considered in points 1 and 2 above will at least in part be determined by market practice following commencement of the new Rule.

Please note that the publication of the Standing Data for MSATS will also occur on 1 September 2017 along with this Final Determination for Package 3. These will be available on the AEMO Website.



## APPENDIX A. CONSOLIDATED SUMMARY RESPONSES

A consolidated summary of all issues raised by Consulted Persons in submissions, together with AEMO's responses, is published on AEMO's website at:

<http://aemo.com.au/Stakeholder-Consultation/Consultations/Power-of-Choice---AEMO-Procedure-Changes-Package-3-Final>