

STANDALONE POWER SYSTEMS

PROCEDURE CONSULTATION

PARTICIPANT RESPONSE TEMPLATE

Participant: Red Energy and Lumo Energy

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1. Context

This template is to assist stakeholders in giving feedback about the options detailed in the issues paper associated with the Standalone Power Systems consultation.

The changes being proposed are because of NER rule changes which have occurred requiring changes to AEMO's Retail Electricity Market Procedures.

2. Questions

Section	Description	Participant Comments
4.1.3	Do participants agree with AEMO's assessment that MDPs for accumulation meters should provide interval data to the generator MDP and AEMO in a NEM12 file as outlined in option 2(a)?	<p>Red and Lumo oppose the decision to proceed with option 2 - see response to the following question.</p> <p>However, should AEMO disregard our objections to the proposal and proceed with option 2, AEMO's assessment and proposal as outlined in option 2(a) is largely acceptable.</p>
4.1.3	Are there other advantages and disadvantages of the various options that AEMO should consider?	<p>Red and Lumo do not agree that option 1, the installation of five minute remotely read interval metering at all connection points which are moved to a regulated SAPS, is unreasonable or impractical. In fact, it is the opposite.</p> <p>The set-up of SAPS will require planning from generators, networks and retailers. They will not be established overnight or are likely to happen very quickly. For brownfield SAPS, updating metering installation of meters which are to be part of a SAPS should form part of the proactive planning and identification to creation of a SAPS. Appropriate planning ahead and taking appropriate action should not result in any unnecessary delay of SAPS roll out.</p>

Section	Description	Participant Comments
		<p>For greenfield SAPS, installation of meters that does not meet the NER requirements is likely to delay rather than expedite it considering that NER-compliant meters are likely to be more readily accessible than non-compliant meters.</p> <p>We recommend that AEMO look for a solution which provides for consistency across the NEM, and not one which deviates from how the NEM operates. Competitive neutrality in the approach is imperative to support consistent arrangements for consumers. Inconsistency has the potential of creating further issues down the track - in such instances as, for example, some NMIs needing to roll off being part of SAPS and needing to be integrated back into the standard operating procedures. Furthermore, as has been identified by AEMO, the solution implemented should align and support where possible other industry initiatives such as the general themes emerging from the ESB initiatives and the metering framework review which considers mechanisms to progress the rollout of advanced metering.</p> <p>Option 1 delivers on the above, and provides consistency across the NEM, including cost reflectivity for 5 minute settlement - which option 2a and 2b accurately do not.</p>
4.1.3	Are there other options that AEMO should consider to resolve this matter?	<p>As indicated above, Red and Lumo believe that option 1 delivers the best potential outcome. Not only does it resolve the issues identified in our response above, but it does so without needing to split away from how the current processes and procedures operate. It minimises the risk for any unforeseen issues which may arise by trying to implement new procedures which differ from how other meters, the customer expectations and experience are managed.</p>

Section	Description	Participant Comments
4.2.2	Do participants agree that this convention is to be captured in a procedure?	Red and Lumo oppose the decision to proceed with option 2 - however, should AEMO proceed with either of option 2(a) or 2(b), Red and Lumo request that the convention used is to be captured in a procedure. AEMO must also outline what due diligence will be in place to ensure data quality and integrity is maintained.
4.2.2	In which procedure or supporting document should it be included?	
5	Has AEMO captured all the changes?	<p>AEMO has not captured all the potential changes from adopting option 2.</p> <p>AEMO needs to capture any downstream impacts of deviating from current NEM processes. Including</p> <ul style="list-style-type: none"> ● how will option 2 impact network settlement invoices? ● how will option 2 be displayed in network settlement invoices? ● how will option 2 impact the display in RM reports? ● will there be new RM reports? ● how will option 2 impact consumer profiling? ● how will the impact to consumer profiling be managed and communicated to participants? <p>Adequate responses are critical <i>before</i> AEMO proceeds with its preference for option 2(a), however, would not be required should option 1 be adopted.</p> <p>Finally, and importantly, there has also been no cost analysis in terms of the system and process changes which would be required for the networks to implement in profiling to manage the legacy Type 5/6 customer meters which would be supplied by a SAPS system - required for option 2. In order to give due</p>

Section	Description	Participant Comments
		<p>consideration to all options, AEMO must undertake this analysis and undertake a comparison with option 1. Without this, AEMO is not acting in accordance with its legislative requirements to consider the implications of the NEO and NERO.</p> <p>As indicated in question 2, given the potential for accelerated rollout of smart meters, in comparison to the costs for implementing option 2, this may show that option 2 may in fact not be cost effective and therefore not meet the requirements of the NEO.</p>
5	In making the changes to the SLP and Metrology procedures, what are the issues that AEMO should keep in mind/consider?	See above.