

Power of Choice Procedures Working Group

25 October 2016 Workshop (via Teleconference)

Meeting notes

32 Attendees

Name	Company
Tim Sheridan	AEMO (Chair)
Lee Brown	AEMO
David Ripper	AEMO
Evy Papadopoulos	AEMO
Demi Chau	AEMO
Helen Stimpson	Active Stream
Helen Vassos	Active Stream
Mark Riley	AGL
Pieter Wijtzes	AGL
Paul Willacy	Aurora Energy
Stephen Zok	Ausgrid
Justin Betlehem	AusNet Services
Tony Darby	Brave Energy
Mark Pilkington	Citipower/Powercor
Peter Cole	ENA
Dino Ou	Endeavour Energy
Doug Miles	Energex
Tom Cole	Energex
Georgina Snelling	Energy Australia
Andrew Varley	Ergon Energy
Michelle Norris	Ergon Energy
Tony Woolfe	Essential Energy
Alan Brown	Lendlease
Hilary Priest	Mojo Power
Alex Fattal	NSW Department of Industry
Darren Bailey	Origin Energy
Felicity Stenning	Pooled Energy
Haiden Jones	Power Shop
Mara Tennis	Red/Lumo Energy
David Woods	SA Power Networks
Aakash Sembey	Simply Energy
Verity Watson	United Energy

Important Note

The intent of this document is to summarise the discussions during the POC Procedures Working Group (POC-PWG) workshop held on 25th October 2016. T Sheridan led the discussion using the presentation slides provided for the day. The slides are not reproduced here.

This document then details the Questions and Answers under each of the documents that are being consulted on.

Please note that procedure changes must be made in accordance with the National Electricity Rules (NER) consultation procedures and, therefore, all matters discussed at workshops and other meetings will be considered by AEMO and should not be taken as a representation as to the final procedure changes.

Purpose of the Workshop

The purpose of this workshop was to inform industry participants on key features of the Work Package 2 draft procedures which AEMO published for consultation on 10th October 2016.

Work Package 2 draft procedures include:

- Retail Electricity Market Procedures: Glossary and Framework
- Service Level Procedure –Embedded Network Managers
- MSATS Procedure: National Metering Identifier
- Unmetered Load Guideline
- Default & Deregistration Procedure – Metering Providers, Metering Data Providers, Embedded Network Managers and Metering Coordinators.
- Qualification Procedure - Metering Providers, Metering Data Providers and Embedded Network Managers.
- Exemption Procedure – Metering Installations Malfunctions.

1. Introduction

Please refer to the presentation slide pack emailed to participants on 20th October for this workshop.

- The consultation timeline for Work Package 2 is on slide #4. Submissions for the first stage consultation will close on 15th November.
- Participants were encouraged to raise any issues, including those discussed today, in their submissions, clearly explaining their views and any alternative drafting proposals.
- To assist AEMO in collating the feedback, participants are asked to provide their submissions in both Word and PDF.

2. General Items

Q2.1: Would AEMO consider publishing the Draft Determination report in both Word and PDF? A Word document would assist participants in copying and pasting the content for internal purposes.

A2.1: This would not be consistent with AEMO's standard practice in a consultation.

Q2.2: When will the other Package 2 guidelines be published for comment?

A2.2: AEMO aims to release the working drafts of the Embedded Networks Guide and the Metering Coordination Registration Guide by mid-November, after the first stage submission window closes. The accreditation checklists will be circulated following the publication of the Draft Determination.

Q2.3: Will the checklists be provided with track-changes?

A2.3: As these checklists are currently in Excel format, it would not be feasible for AEMO to provide track-changes. Additionally, the questions on the checklists have not been reviewed for quite some time. It may not add any value to show track-changes or highlighting the changed cells if a lot of changes have been made.

Q2.4: If track-changes are not provided, it would be useful if AEMO provided some bullet points, highlighting the changes that have been made to the checklists.

A2.4: AEMO will consider this, although it may not add a lot of value if all the questions have been changed. As with some of the Package 1 Procedures, participants may see benefit in assessing just the new content.

3. Retail Market Electricity Procedures – Glossary and Framework

Please refer to slide # 6.

Q3.1: The Glossary and Framework document provides guidance on the use of capitalised words and italicised terms in the Procedures. There are other words that are in bold, for example, and used within the Procedures but their uses are not clarified in the Glossary and Framework document.

A3.1: AEMO indicated that will consider this during its review of first stage submissions.

4. Service Level Procedure – Embedded Network Managers

Please refer to slide #7.

Q4.1: If we are creating a new Greenfield embedded network in an apartment block post December 2017, will the off-market child sites need to have a NMI assigned to them at that point by an Embedded Network Manager (ENM) or would this only be required if they wanted to go on-market?

A4.1: AEMO referred to previous discussions this issue, whether Greenfield embedded network sites should have a NMI in both cases when they are on-market and off-market, or whether they should only have a NMI when they are on-market. AEMO's decision from the Package 1 Procedures was to adopt the latter approach meaning that Greenfield embedded network sites need to be allocated a NMI only when they are on-market, as the NMIs are used to identify connection points for customers who are in the market. When the NMI is allocated for an on-market customer, and the customer becomes off-market, the NMI will still be retained in MSATS but with an off-market status. Retaining the NMI will be useful for NMI discovery if the customer decides to re-join the market. For trigger points regarding the ENM appointment, participants are encouraged to refer to the AER network exemption guideline which is currently under consultation and will be published by 1 December 2016.

Q4.2: Is it possible for the SLP to impose an obligation on the ENM to obtain a list of life support customers in the embedded network?

A4.2: As per the Embedded Networks final determination, it is the responsibility of the Embedded Network Operator (ENO) to manage embedded network life support customers. However, there

nothing is stopping the ENO from commercially agreeing with the ENM to manage life support customers.

Q4.3: Clause 3.1 (a) states that each ENM must maintain an interface to the B2B e-Hub. Why is this mandated given that in the B2B Working Group we did not agree on mandating the usage of the B2B e-Hub for ENMs?

A4.3: As per the Embedded Network final determination, it is the responsibility of the ENM to comply with the B2B procedures. The ENM is required to make certain data available in accordance with the B2B Procedures to other parties. Also, the B2B procedures may include roles and responsibilities for the ENM. However, AEMO indicated that it is happy to consider the drafting of clause 3.1(a) during its review of first stage submissions.

5. MSATS - National Metering Identifier Procedure

Please refer to slide #8.

Q5.1: What is the rationale behind AEMO's decision to retain the NMI when it moves from a DNSP network to an embedded network and vice versa?

A5.1: AEMO stated its position to retain the NMI in the Information Paper that was published on 8 April 2016. AEMO's position was based on the input received at previous POC-PWG meetings held prior to the start of consultation for Package 1. At these meetings, several participants pointed to the challenges of having to maintain NMIs in their systems when it moves outside their network and it is retained. While other participants noted the significant work involved to extinct and re-establish a NMI with all its information and the inability to use retrospectivity in MSATS. AEMO encourages participants to provide their feedback as part of the Package 2 consultation on the MSATS NMI Procedure, and will comment on this issue if necessary in the Draft Determination.

Q5.2: For a scenario where there is 100 DNSP NMIs converted to an embedded network, with 80 of them are off-market and transferring to be 20 on-market, will all 100 NMIs need to be transferred to the ENM?

A5.2: AEMO encouraged participants to refer to the AER network exemption guideline to determine when an ENM will be required. However, from an MSATS perspective the 20 embedded network customers want to become on-market would need to be allocated to an ENM in MSATS as the ENM is the responsible party for maintaining on-market customer NMIs in MSATS. There is no requirement to maintain off-market embedded network customers in MSATS so those NMIs would be inactive in MSATS.

Q5.3: For a scenario where a building that is an embedded network has only one customer who wants to become on-market, will an ENM need to be appointed if the customer moves-out and the new customer wants to be off-market? Under this scenario, will the NMI be retained and maintained in MSATS? Will an ENM still be required?

A5.3: Once again, AEMO encourages participants to refer to the AER network exemption guideline to determine when an ENM will be required. When an on-market customer exits the market the NMI is not required to be maintained by the ENM in MSATS as per section 4.3.1 of the ENM SLP.

Q5.4: Currently with some DNSPs in Victoria all the existing embedded network NMIs are recorded within the DNSP's system. If those same NMIs transfer to an ENM and they are not made extinct how that would be recorded in the DNSP systems as belonging to ENM off-market?

A5.4: AEMO indicated that this could depend on how DNSPs have interpreted embedded networks in the past, what the DNSP establishes in terms of process and policy to comply with the rules and how they have stored the NMIs in their systems.

Q5.5: Will the NMIs that get issued for ENMs by AEMO have a prefix to indicate which DNSP network they belong to? This is relevant because if the NMI is being retained and it moves to DNSP network, DNSP systems may have validations that do not allow other parties to enter NMIs that are out of their DNSP ranges?

A5.5: NMI lists are not a procedural change. The systems and the readiness work streams are best placed to decide on this issue. AEMO encourages participants to provide their feedback to the POC-RWG on this issue.

Q5.6: If a large number of NMIs move from a DNSP to an ENM, will the ENM be able to access all of the DNSP NMIs in MSATS, or just the NMIs allocated to them?

A5.6: MSATS does not validate access based on NMI ranges. Instead it validates access based on the roles associated with the NMI. For example, if a NMI moves from DNSP1 to DNSP2, then only DNSP2 will be able to access the NMI in MSATS. If DNSP1 was the LNSP for a NMI for the period 1 June 2016 till 30 June 2016, then DNSP1 can make retrospective changes to the NMI only within this period. If DNSP1 tries to submit a CR for example with an end date of 1 July 2016, then the CR will be rejected.

Q5.7: When a NMI is initially allocated, can AEMO make sure that a unique NMI is allocated?

A5.7: The allocation of NMIs to ENMs is AEMO's obligation as per the NER. AEMO will provide unique NMIs to the ENMs. Duplicate NMIs cannot be created in MSATS.

Q5.8: The ENM has an obligation to maintain the wiring information of an embedded network if only one market customer goes off-market and their sub-station gets connected to another sub-station.

A5.8: This can be one of the reasons why the NMI needs to be retained unless there is a reason that warrants making it extinct.

Q5.9: Why was NMI aggregation and disaggregation was not mentioned in the SLP? There are scenarios for commercial high rise buildings where a new company move-in and occupies 4 floors and will be wanting to aggregate all the meters under one NMI. If they move-out and new occupants want occupy single floors and disaggregate the NMI, what happens in those situations?

A5.9: AEMO indicated that it will consider this further pending any feedback that may be provided through submissions.

Q5.10: Section 3 (NMI structure) needs to be redrafted as there is a contradiction with regards to transmission NMIs which need to be alphanumeric and the distribution NMIs which needs to be numeric.

A5.10: AEMO indicated that it will consider this further and looks forward to receiving submissions on this topic.

Q5.11: Rule 2 (page 10) needs to be redraft as the intent is not clear. Perhaps a separate section is needed for embedded network NMIs?

A5.11: AEMO indicated that it will consider this further and looks forward to receiving submissions on this topic.

Q5.12: Rule 3 needs to be reviewed as it states that all communications need to have a NMI. However, this cannot occur until the NMI is allocated.

A5.12: AEMO indicated that it will consider this further and looks forward to receiving submissions on this topic.

6. Unmetered Load Guideline

Please refer to slide # 9.

Q6.1: Is the intention that any party can apply to have an Unmetered Device included in the Load Table?

A6.1: Yes, any party can apply and other parties have the option to object within a 20 day period.

Q6.2: Should the LNSP be the one submitting the application? Or should there be a requirement that the application has the support of at least one LNSP? If no LNSP is willing to connect the device, having it on the load table could be just a marketing exercise and considerable resources required in assessing the application may be wasted.

A6.2: AEMO has a process to consider an application prior to publishing it for consultation. If the application relates to a device that is not considered as an unmetered market load device by relevant jurisdiction or does not have other required characteristics such as “predictable” or “calculable”, AEMO would not publish it for consultation. AEMO will consider whether there is merit in making LNSP support a condition of an application.

Q6.3: Jurisdictional requirements should be added to the document.

A6.3: AEMO indicated that it will consider this further and encouraged participants to raise this issue in their submissions.

Q6.4: Applications should only require the support of one LNSP, and other LNSPs shouldn't object to the device being on the load table as they may need to support the device in the future.

A6.4: The purpose of the consultation process is to obtain industry agreement on the unmetered device load value that is included in the application for the device to be added to the NEM Load Table.

7. Default & Deregistration Procedure – Metering Providers, Metering Data Providers, Embedded Network Managers and Metering Coordinators.

Please refer to slide #10.

Q7.1: Would AEMO consider non-compliance with service installation rules and safety obligations as a criterion for significant and material breaches? This is not part of an audit but if notified, would AEMO consider it as a breach in this procedure?

A7.1: AEMO can only consider breaches of the NER and the Procedures.

Q7.2: This Procedure does not provide grounds for breaches relating to jurisdictional safety regulations. This suggests that a breach of safety regulations would have no impact on a service provider's registration/accreditation.

A7.2: Jurisdictional safety regulation is outside of AEMO's scope. However, in certain circumstances a breach of a safety regulation could trigger a breach of the Procedures which would then fall within AEMO's scope.

Q7.3: If a party "stuffs-up" something on the checklist, would this be in scope?

A7.3: Not necessarily. AEMO uses the questions on the checklist to assess a service provider's qualification. If a party does not have a requirement on the checklist, it does not necessarily mean that this is a breach of the NER or the Procedures.

Q7.4: What is the difference between a low-level warning and a high-level warning? It is not very clear in the Procedure.

A7.4: Warnings are issued if a breach is not a Material Breach. A low-level warning is one that is short-term, does not have an immediate market impact and could still be escalated to a high-level warning. A high-level warning relates to a more serious breach that would need to be addressed very quickly.

Q7.5: There doesn't seem to be clear criteria for delineating the different levels of breach. Should there be a quantifiable list such as the number of customers affected, billing amount etc.... similar to a risk assessment?

A7.5: Applying the suggested criteria would make the process too arbitrary. For example, an effect of a breach on one large customer could be bigger than an effect of a breach on many small customers combined. Similarly, a dollar amount considered significant to one participant may be insignificant to others. AEMO considers that current proposed drafting is a more appropriate approach and provides absolute clarity rather than ambiguity

Q7.6: It's more complicated with the ENM being in the picture. Could the ENM be affected by an action (e.g. a disconnection) of an MDP for example?

A7.6: The ENM is subject to the ENM SLP. The MP and MDP are subject to the MP and MDP SLPs. If a service provider is in breach and is deregistered, the party "in the chain of command" would need to appoint another service provider. In the case of the ENM, the ENO would need to appoint another ENM if the current ENM is de-registered.

Q7.7: One of the sources of breach could be a civil penalty applied by the AER. Such an event should trigger AEMO's review. The proposed deregistration process does not include the AER as a source.

A7.7: AEMO indicated that it will consider this further and encouraged participants to consider this issue when drafting submissions.

Q7.8: Section 8.1(c) - the notice (of a breach) to affected parties does not include all affected parties, for example, the LR. There are other parties in the chain that do not have a contractual relationship with the service provider but should still be notified, for example, previous FRMPs.

A7.8: This question was raised in the previous POC-PWG meetings (regarding notice to the LNSP). AEMO indicated that it will consider this further and encouraged participants to consider this issue when drafting submissions.

Q7.9: Service Providers' audit reports should be made available to everyone. LNSPs are subject to traffic light performance while the market does not know the poor performances of other service providers.

A7.9: AEMO is open to receiving submissions on whether a notice of a breach should be a market notice, noting that AEMO would only be able to issue a notice once it's been assessed that there is a breach. The market would not be notified of reported breaches that have not been confirmed.

Q7.10: Have the requirements become more stringent? Currently, notices are only be issued if there are fundamental errors in a service provider's systems or processes. A one-off error such as an incorrect CT ratio being applied would not result in a breach notice today.

A7.10: The reason this scenario hasn't resulted in a breach today is because relevant parties have moved to resolve the matter quickly. A tardy to response to such an event would be considered as a breach today.

8. Qualification Procedure - Metering Providers, Metering Data Providers and Embedded Network Managers

Please refer to slide # 11.

Q8.1: As the accreditation checklists are being updated, what does this mean for service providers of existing type 5 & 6 meters?

A8.1: If a party continues to provide the services that it does today, for example the provision of services to type 6 metering installations with no other changes, then it is highly unlikely that re-accreditation will be required. If a party wishes to enter the market, is extending the services that it currently provides or intends to undertake an enterprise system change, for example, it will be subject to the new Qualification Procedure and accreditation checklists. It is recommended the party contact AEMO to discuss their situation. The extent of any accreditation or re-accreditation activities which will be assessed by AEMO on a case-by-case basis.

Q8.2: Will an accreditation be required for a current service provider of type 1-4 metering installations transfers the operation of its business to a ring-fenced entity?

A8.2: Under this scenario it is likely that accreditation will be required as it is a new company that will be providing the services. As mentioned previously, the extent of any accreditation or re-accreditation activities which will be assessed by AEMO on a case-by-case basis.

Q8.3: Where is AEMO's incremental charge rate published?

A8.3: This rate is not published at the moment. AEMO's Corporate Services Department is currently running a separate consultation on the AEMO's electricity FRC fee structure. It has been recommended that details of the incremental fee are published on AEMO's website following the consultation.

Q8.4: Would an MDP currently providing services for type 1-7 meters be required to gain accreditation if it wished to provide services for type 4A metering installations?

A8.4: Yes, an existing provider would need to be accredited to provide services for small customer metering installations, noting also that the party would need to be appropriately ring-fenced.

Q8.5: There are 2.8 million VIC AMI meters that are moving-out of derogation. These meters are remotely read meters and must be considered as type 4. They are currently subject to a hybrid of substitution rules. What is AEMO's view on this? Would current service providers of VIC AMI meters be required to undergo accreditation?

A8.5: AEMO agrees with the assessment that VIC AMI meters are remotely read meters and therefore should become type 4. The change to type 4 will trigger accreditation. However, it's reasonable to expect that the barrier to gaining accreditation in this case will be low given the changes AEMO has made to the Metrology Procedures to accommodate VIC AMI meters.

Q8.6: How will accreditation for type 4 LVCT meters be mapped? This category of meters is addressed separately for type 2 & 3 in the Rules but not type 4.

A8.6: In the Procedure, AEMO has included different accreditation categories and specific meter types associated with each category. AEMO encouraged participants to consider this issue when drafting submissions.

Q8.7: The ticks in "pre-reading" section in the Qualification Procedure will need to be reviewed. For example, all roles should have a tick against the NMI Procedure. Also, the documents listed in this section should correspond to the "related documents" section in the Procedure.

A8.7: AEMO indicated that it will review this. However, the "related documents" section only lists AEMO's related Procedures.

9. Exemption Procedure – Metering Installations Malfunctions.

Please refer to slide #12.

Q9.1: Could AEMO please explain why clause 7.6.3 of the current Procedure which obligates AEMO to notify impacted participants is not included in the new Procedure?

A9.1: This change was made in recognition of the change in the role of the MC, who is a competitive service provider and has the overall responsibility for the metering installation at the site. The MC should therefore provide this notification to all relevant parties.

Q9.2: Who is meant to notify the LNSP?

A9.2: AEMO indicated that it will consider adding the LNSP as one of the parties receiving the notice after all reviewing all the feedback from the first stage submissions.

Q9.3: What happens if there's a change of retailer when an application for exemption is in progress? The incoming retailer would not know about the exemption?

A9.3: The incoming retailer and the incoming MC (if there's also a change of MC) will need to have a process in place to obtain such information from the MP. The new MC would need to submit a new application as an exemption is deemed to have expired when the MC ceases to be the MC for the connection point.

Q9.4: There's a concern that the concept of deemed MC is not mentioned in the procedure. It should be specifically called out that the exemption process does not apply to deemed MCs. In reference to rule 7.8.10 of the NER, the clause under which the Procedure is made does not mention deemed MCs. The Procedure only refers to "current MC" and a deemed MC is a "current MC".

A9.4: The NER are the principal instrument and service providers operating in the market are required to be familiar with the NER. The Procedures are documents in a hierarchy of instruments applicable to service providers. Section 11.86.7(g)(2) states that deemed MCs are not obliged to comply with clause 7.8.10(a)(2) and must promptly notify the FRMP in the event of a metering malfunction.

Q9.5: Section 2.3 – why is AEMO’s obligation written as “AEMO will” whereas in the previous clause, an MC’s obligation is written as “MC must”?

Q9.5: AEMO commented that the wording is consistent with good drafting practice, but will consider alternative drafting raised in submissions.

Q9.6: An abolishment of a NMI can cause an exemption to be expired? Please explain the intention.

A9.6: This is to accommodate for the extremely rare event in which a NMI is completely abolished.

Q9.7: If a faulty meter is replaced would the issue be considered as rectified?

A9.7: If the issue is with one of the meters and the faulty meter is removed then yes, the issue would be considered as rectified.

Q9.8: In the case of multiple tenancy, if one of the meters is removed and metering data is added together, would this be considered as rectified?

A9.8: Yes, if the faulty meter is removed and the issue is no longer exists.

Q9.9: Section 8.6 – can an application can be reviewed and accepted, then later rejected?

A9.9: Yes, AEMO may accept an application on a condition that additional information is provided later on in the process. Failure to provide such information could lead to the application being rejected.

Q9.10: Does this process apply to failure of communications?

A9.10: No, this process does not apply to communications malfunctions, it only applies to metering installation malfunctions as defined in the NER.

10. Other Business

AEMO will be holding another POC-PWG meeting on 20 December following the publication of the Draft Determination. Further details will be available in due course.