

# Power of Choice Procedures Working Group

## 9 September 2016 Workshop

### Meeting notes

#### 44 Attendees

<b>Name</b>	<b>Company</b>
Tim Sheridan	AEMO (Chair)
Lee Brown	AEMO
David Ripper	AEMO
Noura Elhawary	AEMO
Evy Papadopoulos	AEMO
Jeff Roberts	ActewAGL
Helen Vassos	Active Stream
Ty Crowhurst	Acumen
Andrew Peart	AGL
Ian Hopper	AGL
Julie Thomas	AGL
Mark Riley	AGL
Paul Willacy	Aurora Energy
Stephen Zok	Ausgrid
Justin Betlehem	Ausnet Services
Tony Darby	Brave Energy
Mark Pilkington	Citipower / Powercor
Simon McCabe	DELWP
Tom Cole	Energex
Georgina Snelling	Energy Australia
Karly Train	Energy Australia
Michelle Norris	Ergon Energy
Andrew Varley	Ergon Energy
Tony Woolfe	Essential Energy
Joanne Rankine	GMDR
Nirav Rajuru	Jemena
Mara Tennis	Lumo/Red Energy
Charles Coulson	Metropolis
Katie Lippens	Origin Energy
Ushma Sutaria	Origin Energy
Malcolm Hempel	Pacific Hydro
Shadina De Jong	People Energy
Kam Vessali	Power & Water Corporation
Toni Muliadiredja	Power & Water Corporation
Jenny Mulders	PowerChoice
Haiden Jones	Powershop
Andy Gillis	SAPN
Lance McMinn	Secure Australasia
Louizanne Diaz	Seviceworks
Aakash Sembey	Simply Energy
David Sales	TASNetworks
Verity Watson	United Energy
Ben Davidson	United Energy
Paul Greenwood	Vector

### **Important Note**

The intent of this document is to capture the commentary in summary form, from the POC Procedures Working Group (POC-PWG) workshop held on 9<sup>th</sup> September 2016. The topics under discussion were led by the slides provided for the day and were presented by AEMO representatives. The information on the slides is not reproduced here, nor are the comments provided to the slides from the presenter, save for comments provided to summarise a discussion or in direct response to a question from an attendee.

Please note that procedure changes must be made in accordance with the NER Rules consultation procedures and therefore, all matters discussed at workshops and other meetings will be considered by AEMO and will assist in AEMO forming a position on various subjects but should not be taken as a representation, warranty or agreement, express or implied, as to the final procedure changes.

### **Purpose of the Workshop**

As a result of the final determination of Metering Competition and Embedded Network, AEMO needs to update existing Procedures or create new ones. The aim of the workshop is not to litigate the rules, but rather to focus on topics where AEMO needs further input and information from stakeholders to update the Procedures. The assumption is that the audience of the workshops has reasonable amount of expertise on the topics discussed in the workshop. Topics will be presented based on the presentation slides followed by an open discussion on each topic without time limits. Once the topic is discussed a summary will be provided to the audience at the end of each topic. If new topics come up which are not included in the meeting agenda then they might be considered as future topics in future workshops.

The topics discussed in this workshop are related to the Procedures which are to be developed by AEMO as part of Work Package 2 and published by 1 March 2017 as per the National Electricity Rules (NER).

### **Topics under Discussion**

1. Work Package 2 Contents, approach and Consultation Timeline
2. Default and Deregistration Procedures
3. Exemption Procedures – Type 4A Exemption
4. Service Level Procedures for Embedded Network Managers
5. Other Business

## 1. Work Package 2: Approach, Scope and Timelines

T. Sheridan presented this topic. The key discussion points were as follows:

- AEMO indicated that the first stage of consultation for Work Package 2 will commence on 10 October 2016.
- AEMO clarified that the Metering Service Provider Qualification Procedure will apply only to MPs, MDPs and ENMs. MCs are not subject to accreditation or qualification by AEMO as they are registered in accordance with Chapter 2 of the NER.
- AEMO indicated that the ENM is not a registered participant under Chapter 2 of the NER, but are required to be accredited and registered by AEMO in the same way that MPs and MDPs are accredited and registered, but under different criteria.
- AEMO will be adding any new definitions to the glossary while developing the Procedures for Work Package 2. AEMO also clarified that whilst definitions from the B2B Procedure consultation, that is planned to run on a similar timeframe to this PoC package 2, may be added to the glossary and framework document, any such B2B definitions will not be considered as part of the consultation for Work Package 2, rather they will be considered in the B2B consultation itself.
- AEMO indicated that it is considering whether to include the NMI Procedure into the suit of MSATS Procedures to accommodate any critical requirements that exist in the NMI Procedure. Currently, there is no formal requirement in the NER for AEMO to create a stand-alone NMI Procedure.
- AEMO sought feedback on its proposal to include the Unmetered Load Guideline into the Metrology Procedures: Part B. AEMO indicated that the Unmetered Load Guideline is referenced as a supplementary guideline in the Metrology Procedures and that there may be logic in seeking to merge requirements into Metrology Part B.
  - Several parties voiced their disagreement with including the Unmetered Load Guideline into Metrology Part B as this guideline is meant to be for parties other than the registered participants. Therefore, the guideline does not affect any of those registered participants.
- Participants queried if it's possible that AEMO publish a checklist with items that need to be met if someone wants to become an MC. AEMO indicated that it would consider publishing an MC Registration Guideline earlier to aid anyone who wants to register as an MC.
- Participants questioned how AEMO will assess if someone can be registered as an MC, comparing this to a retailer and LNSP registration. AEMO clarified that it will have processes in place to assess parties who seek to be registered as an MC.
- Participants questioned how service providers will be assessed to ensure that they meet the minimum services specifications (MSS), and questioned whether the MC can rely on AEMO to ensure that a service provider meets the MSS? AEMO commented that the qualification procedures are being reviewed within this work package and that proposals for accreditation requirements will be provided for consultation in due course. AEMO noted that the obligation to ensure compliance with the Minimum Services Specification requirements was with the MC and that it is reasonable to expect that MCs will develop processes to support their obligation.

- Participants questioned if LNSPs need to be reaccredited for VIC AMI meters. AEMO indicated that if a party is going to change their systems or processes for how data is provided to the market, then they need to contact AEMO who will consider if reaccreditation is required, as is standard practice currently. AEMO considers that it is possible that some LNSP MPs and MDPs may need to be reaccredited, at least in part.
- Participants questioned if deemed MCs need to be registered with AEMO. AEMO clarified that it is still to consider if registration of deemed MCs will be required, and noted this is a transitional requirement that needs to be considered as a market readiness program.
- Participants queried if the MC Role Guideline will be published by AEMO in Work Package 2. AEMO indicated that that it will publish the MC Role Guideline during Work Package 3 (if not earlier).
- AEMO noted that a list of Procedures and guideline to be updated for Work Package 3 was emailed to participants on 12 August 2016. At this stage, Work Package 3 include two Procedures: Metrology Part A to include tranche 3 jurisdictional material; and the Glossary and Framework. Most of the documents to be reviewed for Work Package 3 are MSATS guidelines.
- Participants queried if it is possible for the 'tranche 2' jurisdictional metrology material to be published earlier. AEMO indicated that this is dependent on the jurisdictions.
- AEMO noted a correction on slide 8, the MC registration guideline applies only to MCs and not to MPs or MDPs.
- AEMO clarified that whilst guidelines do not require formal NER consultation, AEMO is planning to seek input from participants prior to publication.
- Some participants questioned if it is possible to reopen any of the Work Package 1 procedures. AEMO indicated that such an approach would not be part of the consultation for Work Package 2 and that package 1 was closed save for specific items that were highlighted in the final determination.
  - AEMO noted that some participants had raised suggested changes during the final stage of consultation for Work Package 1 where AEMO saw potential merit, but that were not provided in sufficient time to allow for the appropriate level of consultation. For example, substitution requirements for Type 4A – potential to provide daily substitutes rather than forward estimates.
- Participants queried whether aspects of the C7 report can be updated. AEMO indicated that participants should submit a specific proposal for AEMO to consider.
- AEMO noted that it had extended the closing date of the second stage submission for from 30th December 2016 to 16th January 2017. This is in response to participant's feedback about the difficulty of making submissions of the holiday period.
- Participants questioned if the Work Package 2 consultation dates can be changed, and asked when the B2B Procedures consultation will start. AEMO clarified that Work Package 2 consultation dates cannot be moved as they are tied to the AEMC Rule Changes. The B2B consultation dates are subject to the approval from the IEC.
- A question was posed to AEMO regarding the track changed copies of the procedures provided through consultation, and a request that the draft determination provides tracked changes from both the first and second round reviews, rather than having the first round of changes accepted. AEMO clarified that whilst this is the standard practice that is followed for

all AEMO consultations, consideration will be provided as to the practicality of performing the track changes as requested

- Participants questioned if the meeting scheduled for 26<sup>th</sup> and 27<sup>th</sup> September will take place. AEMO indicated that it will advise whether this is the case.

## **2. Default and Deregistration Procedures**

L. Brown presented this topic. The key discussion points were as follows:

- Participants noted that in the levels of breach AEMO has presented, there is nothing that talks about End Consumers. AEMO clarified that services provided under Chapter 7 of the NER directly impact customers and consider that the proposed provisions are therefore intrinsically linked to outcomes for the End Consumer.
- Participants questioned if the breach levels are only applicable to the NER and the Procedures, or do they apply to breaches to the guidelines. AEMO clarified that it is only breaches to the NER and the Procedures as guidelines typically provide information regarding how processes can be managed in relation to requirements specified in the NER and procedures under the NER, rather than specifying requirements on their own.
- Participants asked if in the case of deregistration there is some type of event like ROLR for example. AEMO clarified that there is no provision for a RoLR-style process for MP, MDP and ENM, rather that the party with the responsibility to appoint the affected role must appoint a new party in the case that the current party can no longer perform the nominated role.
- Participants questioned if the procedure will contain processes for managing standing data resulting from deregistration. AEMO clarified that it is intending to include such processes in the procedure.
- Participants questioned what will happen if AEMO suspends services for an MDP for 1 month. AEMO clarified that if an MDP is suspended, the MC will need to appoint another MDP to provide the required services.
- AEMO clarified that the levels of breach do not preclude the AER from taking enforcement action.
- Participants queried what will happen if an ENM were to get deregistered. AEMO clarified that the appointing party, the ENO, will need to assign a new ENM.
- AEMO suggested that whilst it is likely that the assurance processes currently operating for MDPs and MPs will be similar to assurance processes for ENMs, the scope and breadth of activity undertaken may be more limited for an ENM and any assurance process is likely to be commensurate with the ENMs scope.
- AEMO clarified that under the EN rule determination, there are explicit provisions about the ENM's ability to apply for voluntarily deregistration and that whilst there are no similar provisions for MPs or MDPs in the NER, the procedure may include voluntary requirements for these roles also.
- Participants asked if it is possible for the MC to flag issues if it found there is a breach from MP or MDP. AEMO indicated that the MC can flag any issues and that self-reporting at an early stage is encouraged.

- Participants asked if the ISO 9001 or a quality level expected by AEMO will be specified in the registration and accreditation procedure. AEMO clarified that this will be part of the accreditation procedures.

### **3. Exemption Procedures – Type 4A Exemption**

L. Brown presented this topic. The key discussion points were as follows:

- AEMO clarified that the Type4A Exemption is not a Procedure, it is a guideline and that the requirements are clearly provided in the NER.
- Participants queried if customer refusal will be included in the Type 4A exemption guideline. AEMO clarified that customer refusal is not a requirement for an exemption.
- Participants questioned how they would know if a Type 4A is because of no COMMS or customer refusal. AEMO clarified that this was a Work Package 1 issue which AEMO has responded to, and there is a requirement for the MC to keep a record of customer refusals.
- Participants queried if there is a Type 4A meter installed because of customer refusal and another customer moves into this address, then what does the MC do. Do they need to revert from Type 4A to Type 4 if the new customer does not refuse? AEMO referred participants to the NER for this question. This is not a matter for the Type 4A exemption guideline.
- Participants noted in most cases there is always going to be telecommunications available. AEMO noted the comment and agreed that the requirements of the rule are likely to see relatively few NMIs being capable of being granted an exemption.
- Participants indicated that the NER does not consider the cost with regards to establishing a telecommunication network, and that AEMO needs to develop a guideline that is economically justifiable. AEMO clarified that it will develop a guideline that meets the requirements of the NER.
- Participants queried whether AEMO's assessment in the exemption guideline will be based on the NEO to produce long term efficiency. AEMO clarified that its assessment will comply with the NER, changes to which have been subject to the test mentioned.
- Participants asked if an exemption can apply for the life of the meter. AEMO clarified that the exemption cannot be for greater than 5 years. However, if required participants can reapply after the 5 years expiry period.
- Participants noted that there may be large areas requiring exemption and AEMO should expect to get many exemption applications. Participants questioned what the timeframe will be for AEMO to respond to these exemption applications. AEMO indicated that participants should be able to apply for an exemption for one NMI or for multiple NMIs. AEMO will provide those details in the guideline for participants to comment on.
- Participants queried if exemptions can be backdated. AEMO indicated that a participant may remain in breach until they apply for exemption. Therefore, the exemption cannot be backdated to cover the period where the participant was in breach before lodging the exemption.
- Participants noted in some cases there may be no public telecommunication available, however there may be a private network which the MC does not want to use. AEMO clarified that the non-public network would only be considered in the application where the MDPs

use of that non-public network had previously been authorised by AEMO. In this scenario, the MC will be required to demonstrate why they couldn't access the private network before AEMO can grant the exemption.

- Participants asked if, for example, they do not want to use Optus 4G network, can they apply for an exemption. AEMO clarified that as per the definition of a telecommunications network in the NER, AEMO couldn't grant an exemption in this case.
- Participants questioned if telecommunications goes down, then can participants apply for an exemption. AEMO clarified that the type 4A exemption guideline does not cover telecommunications failure events.
- Participants noted that having coverage does not always mean there is telecommunications available. In these instances, how will AEMO reasonably determine if there is comms or not? AEMO clarified that the burden of evidence will be on the applicant, rather than AEMO.
- Participants queried if an MC can refuse to be an MC if they know that there is no telecommunication in an area. AEMO indicated that there is no rule obligation that requires a competitive MC from accepting appointment at a NMI.
- Participants noted that the exemption applies to small customer metering installations, and questioned what happens if the customer increases their consumption, would the exemption end? AEMO clarified that the guideline only applies to small customers, and that the exemption is moot when considering large customer metering installations.
- Participants queried what happens when communications become available and what the process is for coming out of exemption. AEMO clarified that the guideline will propose a period from comms becoming available, where the exemption expires.
- Participants questioned who is holding the date for the exemption and its expiry. I.e. if the Type 4A would expire and change automatically in MSATS. AEMO indicated that it will maintain a record of exemptions which have been approved and will monitor expiry. Similarly, the MC should be doing the same. AEMO clarified that Type 4A meters will not be updated automatically in MSATS when the exemption expires.
- Participants queried the treatment of Type 4A meters as Type 5 as this is not reflected in the jurisdictional tables. AEMO clarified that this may be updated in Work Package 3 as a result of the tranche 2 jurisdictional metrology amendments.

#### **4. Service Level Procedures for Embedded Network Managers**

D. Ripper presented this topic. The key discussion points were as follows:

- Participants queried how the ENM will obtain the TNI Code and the DLF code if they are not party to the Parent NMI. Also, if those values change during time how would the ENM get notified? AEMO clarified that the ENM cannot be party to the Parent NMI and that they can source information through commercial agreements.
- Participants noted that if the ENM applies the Parent NMI DLF to the Child NMI then there is a loss of about 6%. Participants queried whether if AEMO or the AER are looking into this. AEMO clarified this will be subject to the AER embedded networks guideline.
- Participants queried whether MSATS will allocate each ENM a block of NMIs/NMI range which they can only use and work within. Also, if the NMI remains, can they still use it given

it is not within the range allocated by AEMO. AEMO clarified that there are no restrictions in the MSATS Procedures that will prevent participants from using the same NMI.

- Participants questioned if the NMI will be made extinct or retained when moving from a LNSP network to an embedded network. AEMO indicated that extinction of a NMI or retaining it is not subject to the ENM SLP. Rather it's a part of the NMI Procedure. AEMO noted that it had previously discussed this topic and received feedback which will be considered as part of the Work Package 2 consultation on the NMI Procedure.
- Participants raised concerns regarding the transitional arrangements on 1 December 2017, as the LNSP will no longer be responsible for the embedded network NMIs, and ENMs will be taking on this responsibility. Participants questioned how this transition will occur as it is a critical transitional activity. AEMO suggested that this topic appears to be a market readiness activity and should be discussed with interested parties and possibly also within the readiness work stream. AEMO will highlight this issue to the readiness workstream.
- Participants asked if there is going to be some mechanism on how the DLF values are provided. AEMO clarified that this is up to the AER embedded network guideline, the EENSP calculates the DLF and then this value should be approved by the AER, which is similar to what the LNSP does.

## 5. **Other Business**

- AEMO asked participants which topics they would like to discuss in the next session. Participants indicated that they wanted to talk about the 4A exemption guidelines in more detail if the document is ready.
- Participants asked when the draft procedures will be available. AEMO indicated that it is still developing the draft procedures in time for the start of consultation and will decide whether draft documents can be provided earlier.