



# POWER OF CHOICE PROCEDURE CHANGES (PACKAGE 3)

CONSULTATION PAPER

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## EXECUTIVE SUMMARY

The publication of this Consultation Paper commences the first stage of the consultation on the Power of Choice (POC) Procedure Changes - Package 3.

AEMO has developed and amended the Package 1 and 2 procedures to fulfil its obligations under the following amendments to the National Electricity Rules (Amending Rules):

- National Electricity Amendment (Expanding Competition in Metering and Metering Related Services) Rule 2015 No. 12 (Metering Competition);
- National Electricity Amendment (Embedded Networks) Rule 2015 No. 15; and
- National Electricity Amendment (Meter Replacement Processes) Rule 2016 No. 2.

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 which are detailed further in this paper. The scope for this Package 3 consultation is limited to the changes proposed by AEMO.

AEMO has prepared a Response Template to facilitate feedback from stakeholders about the changes proposed in the draft procedures, taking into account the scope of Package 3.

Where participants do not agree that AEMO's proposals would achieve the relevant objectives, AEMO invites stakeholders to suggest detailed alternatives.

AEMO also asks stakeholders to identify any unintended adverse consequences of the proposed changes.

Stakeholders are invited to submit written responses on the issues and questions identified in this paper and the proposed Procedures changes by **5.00 pm AEST on 27 June 2017**.

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# 1 Stakeholder Consultation Process

As required by the Amending Rules, AEMO is consulting in accordance with the National Electricity Rules (NER) consultation procedures in clause 8.9 of the NER. AEMO's indicative timeline for this consultation is outlined below.

DELIVERABLE	INDICATIVE DATE
Consultation Paper published	19 May 2017
Submissions due on Consultation Paper	27 June 2017
Draft Report and Determination published	25 July 2017
Submissions due on Draft Report and Determination	TBA
Final Report and Determination published	By 30 November 2017

Prior to the submissions due date, stakeholders can request a meeting with AEMO to discuss any issues and proposed changes including the proposed changes raised in the Consultation Paper.

Please note the proposed effective date of the Package 3 procedure changes will be 1 December 2017.

## 2 Background

### 2.1 NER requirements

AEMO is required to amend and publish procedures and develop and publish new procedures in accordance with the NER consultation procedures in clause 8.9 of the NER.

Package 3 consists of changes proposed by AEMO to procedures previously amended or developed as part of the POC consultations. Procedures identified by AEMO as requiring changes that will be noted in this paper (Procedures) are as follows:

INSTRUMENT	NEW / AMENDED	NER REFERENCE
Retail Electricity Market Procedures: Glossary and Framework	Amended	7.16.1(f) <sup>1</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)

<sup>1</sup> This document is incorporated into and forms part of all the other Procedures. It is intended to replace the document entitled: List of National Electricity Market Procedures, Guidelines and Documents Required by Chapter 7 (available at <http://www.aemo.com.au/-/media/Files/PDF/List-of-NEM-Procedures-V22-Clean.pdf>) following this consultation.

## 2.2 Context for this consultation

In 2012 the AEMC commenced the Power of Choice Review, which led to a series of changes to the NER. As a result of those changes, AEMO has published new or amended procedures to address the POC rule changes in two stages, called Package 1 and Package 2<sup>2</sup>

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'.

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.

## 3 Drafting for proposed changes

To help stakeholders and other interested parties respond to this Consultation Paper, AEMO has published drafts of the procedures listed in section 2.1 incorporating the proposed changes. Clean and change-marked versions are available at: <http://aemo.com.au/Stakeholder-Consultation>.

AEMO published an Information Paper in preparation for the consultation of procedures in this Package 3 on 12 May 2017 (Information Paper), which provided AEMO's consideration of the scope and detail of the changes to be proposed in Package 3 including matters of a material nature that have come to AEMO's attention following the publication of Packages 1 and 2. The Information Paper provided AEMO's initial position in relation to these matters.

Section 4 provides a high-level summary of the proposed changes to each procedure.

## 4 Summary of amendments to Procedures

### 4.1 Retail Electricity Market Procedures: Glossary and Framework

The document has been updated to incorporate changes following the Information Exchange Committee (IEC) consultation (affecting B2B Procedures) and to include information required by NER 7.16.1(f)

### 4.2 Metrology Part A Procedure

#### 4.2.1 Network Devices

AEMO proposes to amend section 12.2.1; the current text has been deleted and replaced with alternative drafting which has the effect of confirming that AEMO does not consider there to be any circumstances where it is necessary for AEMO to deem certain devices on a network to be network devices, for the purposes of clause 7.8.6 of the NER.

<sup>2</sup> Available at: <http://www.aemo.com.au/Stakeholder-Consultation/Consultations/Power-of-Choice---AEMO-Procedure-Changes-Package-1> and Available at: <http://www.aemo.com.au/Stakeholder-Consultation/Consultations/Power-of-Choice---AEMO-Procedure-Changes-Package-2>

## 4.2.2 Return of Metering Equipment and Network Devices

AEMO proposes to amend section 12.1 in order that the requirements for the MC regarding the return of removed devices is clarified; noting that the SLP (MP) section 4.4 details the requirements for MPs for the removal and return of equipment in detail.

## 4.3 MSATS Procedures

### 4.3.1 CATS Procedure Principles and Obligations

As a result of changes to procedures in Package 2, AEMO proposes to make the following changes to the MSATS Customer Administration and Transfer Solution (CATS) Procedure:

- An obligation has been added for the LNSP to provide the Parent NMI DLF code and TNI code information to AEMO for the creation of an Embedded Network (EN) record; this is to allow the ENM to get this information from the C1 report to help them create Child NMIs in MSATS as per their obligations in the ENM Service level Procedure;
- An obligation has been added for the ENM to provide AEMO with the name of the Exempt Embedded Network Service Provider (EENSP) within five business days of its appointment; this is to allow participants to obtain this information through the C1 report;
- The 5090 and 5091 CRs ("Make NMI A child NMI") are deleted due to the NMI Procedure's requirement to extinct a NMI when a connection point moves from an LNSP's network to an EN; and
- The definition of the NMI Status Code "X" has been extended to include scenarios where a NMI is made extinct when a connection point moves from an LNSP's network to an EN and vice versa.

AEMO proposes to make a number of changes to remove conflicts and errors within the rules for the operation of CRs that were not identified in the Package 1 process, including:

- Removing "NOACC" objection code from Change Requests 6801. This objection code is not valid for this retrospective CR.
- Removing "CONTRACT" objection code from the following CRs – 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028 and 1029, as the "CONTRACT" objection code should only be used for large NMIs
- Aligning the use of the "BADMETER" objection code in CRs, with its defined scope (i.e. it is only to be used by the MDP for change retailer CRs).
- The conditions precedent for 5070 and 5071 CRs ("Update Next Schedule Read Date") has been amended so that it can apply to any metering installation which has an NSRD.
- The 3050 and 3051 CRs ("Change Metering Installation Details") have been amended to enable the MP to change metering installation details in circumstances where the meter register status code is other than "C" (current).
- The 2021 CR ("Create Child NMI"), has been amended to allow the "NOTRESP" objection code to be used for large NMIs.

The following changes are proposed to the 6300 CR ("Change MC") for the reasons presented in the Information Paper published by AEMO on 12 May 2017, in preparation for this consultation:

- The requirement for the MDP to provide Actual Change Date (CR 1500) is removed.
- The Current FRMP is added as a party who can initiate the 6300 CR.
- Updates to the rights of parties to object and receive notifications.

### 4.3.2 DEBT and CONTRACT Objection codes

On 1 July 2015, The National Energy Customer Framework (NECF) was introduced in Queensland. As a result of this change, a number of matters covered by Queensland specific instruments, including industry codes, were superseded by

NECF. AEMO considers that any Objection Codes and corresponding rules that were specifically derived from a Queensland instrument became obsolete with the introduction of NECF.

AEMO considers that changes to two Objection Codes are required as a result of Queensland's adoption of NECF:

- DEBT – No longer applicable in Queensland, this Objection Code will only remain applicable in Victoria. Objections for debt are only explicitly permitted in Victoria; and the NECF is silent on allowing objections for debt.
- CONTRACT – This would no longer apply for FRMP transfers in Queensland, where the transfer is sought prior to the termination or end date of a term contract for the supply of electricity.

### 4.3.3 Procedure for the Management of Wholesale, Interconnector, Generator and Sample (WIGS) NMIs

As a result of changes to procedures in Package 2, AEMO proposes to disable the 5090 and 5091 CRs ("Make NMI A child NMI") from the MSATS (WIGS) Procedure due to the NMI Procedure's requirement to make a NMI extinct when a connection moves from an LNSP's network to an EN.

AEMO proposes to make a number of changes to remove conflicts and errors within the rules for the operation of CRs that were not identified in the Package 1 process, including:

- AEMO proposes to amend objection rules for the 5001 and 5021 CRs ("Back date a NMI"), removing references to small and large NMI Classifications which are not relevant in this MSATS Procedures (WIGS).
- Aligning the use of the "BADMETER" objection code in CRs, with its defined scope (i.e. it is only to be used by the MDP for change retailer CRs),

## 4.4 Service Level Procedures

### 4.4.1 Metering Data Providers

A provision has been added that specifies MDP insurance requirements, aligning the SLP MDP with the qualification and accreditation requirements published in Package 2.

Changes are proposed to the requirements for the delivery of settlements ready data, to clarify that data may be delivered to AEMO on a more frequent basis than weekly.

### 4.4.2 Metering Providers

AEMO has proposed changes to the requirements for the validation of interval metering data with the MDP upon the installation or alteration of a metering installation with remote acquisition capability; clarifying requirements that apply specifically to whole current metering installations and requirements that apply specifically to metering installations connected via instrument transformers.

### 4.4.3 Meter Data File Format Specification NEM 12 & NEM 13

AEMO has proposed changes to the definition of MeterSerialNumber for the 200 record to clarify which Meter Serial ID of the old meter or the new meter is used in relation to the metering data for the meter churn day.

## 4.5 Qualification Procedure

AEMO has proposed changes to the drafting of section 3.5 (Pre-Production Assessment) to clarify the requirements for obtaining access to AEMO's MarketNet and MSATS and corrected a few errors.