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Australian Energy Market Operator

Submitted via email: NEM.Retailprocedureconsultations@aemo.com.au

Metering Installation Exemption Automation

AGL Energy (AGL) welcomes the opportunity to respond to the Australian Energy Market Operator's (AEMO) Metering Installation Exemption Automation Consultation Paper, dated 12 April 2023.

AEMO will be aware of the Australian Energy Market's Commission's (AEMC) ongoing review of the regulatory framework for metering services (the Metering Review) which seeks to accelerate and streamline the installation of smart meters across the National Energy Customer Framework (NECF) jurisdiction. As part of its Draft Report, the AEMC is proposing two large scale amendments to the National Energy Retail Rules and the National Electricity Rules which will have a material impact on the metering installation exemption process for Metering Coordinators and other market participants

- The complete removal of the exemption process subject to this consultation; and
- The introduction of a new customer-side defect notification process which, with some amendments, could potentially leverage the existing metering installation exemption framework already in place, thereby minimising costs and IT development requirements for AEMO, Metering Coordinators and retailers.

The outcome of the Metering Review and the Final Report are anticipated to be released sometime in Q3 2023, and although the subsequent recommendations will need to undergo further public consultation and legislative/rule changes to take effect (likely to occur in 2025), AEMO will have a strong gauge of what the new metering framework will look like in NECF.

AGL generally supports reforms that move away from manual intervention towards automation and digitalisation. However, at this time, it is AGL's recommendation that the Metering Installation Exemption Automation consultation be deferred until the outcome of the Metering Review is released. There is a risk that if AEMO's automation proposal were to proceed, and the exemption process is removed by the AEMC, participants (and ultimately consumers) will have incurred costs to operationalise the soon-to-be obsolete reforms.

If the exemption process is to be removed by the AEMC, AEMO should instead consider how the existing process can be extended to accommodate the proposed customer site defect process. The AEMC Draft Report proposes that a customer notification and recordkeeping process in circumstances where MCs encounter site defects.¹ We consider that the existing exemption back-end architecture may be able to be amended or repurposed to support the new AEMC draft proposal to minimise build costs and timeframes.

¹ Australian Energy Market Commission, Review of the Regulatory Framework for Metering Services, [Draft Report](#), 3 November 2022, p 23.



Other Matters

Timing of Exemption Applications

AGL notes that AEMO is proposing to extend the timeframes for its determination of an application for exemption by up to fifteen business days (from two to five days for the initial application determination and from five to ten days where AEMO requests additional information from the MC). While AGL understands that this change is intended to accommodate the high volume of exemption applications which AEMO has been receiving, the impact on industry has not been fully assessed. For example, will these timeframes allow for MCs to attempt to rectify the malfunction in the first instance, or will they result in MCs immediately applying for an exemption so as to not risk adherence with the meter malfunction replacement timeframes?

Requirement for Additional Information

Clauses 3.5(c) and 2.3(a)(ii) of the Metering Exemption – Small Customer Metering Installation and Malfunction Draft Documents (the Draft Documents) outline that while the application for the exemption is designed to be an automated process within MSATS, in the event that AEMO requests additional information from the MC, this is to be delivered via email. This implies substantial reliance on manual intervention will remain, specifically to collate, attach and email AEMO documents pertaining to the site/s subject to the exemption application process. It is unclear what efficiencies are to be gained by segmenting the current process into two streams, resulting in only a partial automation of the exemption process.

Further, the Metering Exemption Draft Documents do not specify the type of additional information that may be requested by AEMO upon receipt of the exemption application which could result in further delay in procuring the necessary data. AEMO should provide clear guidelines in the Draft Documents on the types of supporting information that may be requested following an exemption application and the circumstances in which MCs may be required to provide this information.

The Draft Documents do not address how AEMO will make the request for additional information (e.g., by way of email, an automated process, CR or MSATS status update).

If you would like to discuss any aspect of AGL's submission, please contact Valeriya Kalpakidis at vkalpakidis@agl.com.au.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Con Hristodoulidis'.

Con Hristodoulidis

Senior Manager Regulatory Strategy

AGL Energy