



# Removal of Controlled Load Profile - NSW

Final Report – Expedited consultation  
for the National Electricity Market

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New South Wales | Queensland | South Australia | Victoria | Australian Capital Territory | Tasmania | Western Australia  
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## Executive summary

The publication of this final report (**Final Report**) concludes the expedited consultation procedure (**Consultation**) conducted by AEMO in respect of the proposal (**Proposal**) to undertake the amendments (**Amendments**) to the following documents (**Documents**), effective 1 September 2024, to remove the NSW jurisdictional metrology material (**Material**) related to controlled load profiles (**CLPs**) under the National Electricity Rules (**NER**):

- Metrology Procedure: Part A.
- Metrology Procedure: Part B.
- MSATS Procedures: MDM Procedures.
- MSATS Procedures: CATS Procedure.
- Standing Data for MSATS document.

AEMO thanks all stakeholders for their responses during the Consultation which was undertaken as required by NER 8.9.1, following the procedure in NER 8.9.3.

On behalf of the Energy Minister Sub-Group (**EMSG**), the Federal Minister for Climate Change and Energy wrote to AEMO to undertake the Amendments to the Metrology Procedure to remove the CLP Material.

Specifically, the Amendments remove:

- the requirement that AEMO develops a CLP in NSW; and
- accordingly, the requirement that NSW distributors must maintain 200 sample meters at residential and small business sites to collect data for a CLP on their network.

The Amendments have been broadly supported in the public and targeted stakeholder consultation which had already been undertaken prior to the Consultation.

AEMO's final determination on the Proposal is to amend the Documents in the form published with this Final Report, with the effective date of 1 September 2024.

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## 1. Stakeholder consultation process

AEMO conducted the Consultation in accordance with NER 8.9.3.

This Final Report uses terms defined in the NER, which are intended to have the same meanings. There is a glossary of additional terms and abbreviations in Appendix A.

AEMO's process and timeline for the Consultation are outlined below.

**Table 1 Consultation process and timeline**

Consultation steps	Dates
Draft Report published	11 April 2024
Submissions closed on Draft Report	10 May 2024
Final Report published	31 May 2024

AEMO's consultation webpage for the proposal is at <https://aemo.com.au/en/consultations/current-and-closed-consultations/removal-of-controlled-load-profile--nsw>, containing all published papers and reports, written submissions, and other consultation documents or reference material.

AEMO:

- received three written responses to the Draft Report.
- held one meeting on 17 April 2024.

AEMO thanks all stakeholders for their responses to the Draft Report, which have been considered in preparing this Final Report.

## 2. Background

### 2.1. Context for this consultation

The context for this Consultation is as follows.

- The NSW Government made the request to make the Amendments to the Metrology Procedure.
- The EMSG considered the request to make the Amendments.
- The EMSG agreed to make the Amendments.
- On behalf of the EMSG, the Federal Minister for Climate Change and Energy wrote to AEMO to undertake the Amendments. The Amendments remove:
  - the requirement that AEMO develops a CLP in NSW; and
  - accordingly, the requirement that NSW distributors must maintain 200 sample meters at residential and small business sites to collect data for a CLP on their network.
- The Amendments have been broadly supported in the public and targeted stakeholder consultation which has already been undertaken.
- The NER requires that the Material in the Metrology Procedure must be submitted to AEMO by the Ministers of the Ministerial Council on Energy.
- Accordingly, the EMSG has requested AEMO to undertake the expedited rules consultation procedure in the NER to implement the Amendments.
- This EMSG request to AEMO is on the basis of the conclusion that the Amendments are minor, non-material amendments which are unlikely to have a significant effect on the NEM, or on the relevant activities of the relevant Registered Participants (Participants).
- AEMO considers that this conclusion is supported further by:
  - AEMO-Participant discussions to date in respect of the Proposal;
  - the transitional arrangements to implement the Proposal;
  - the declining use of the CLP due to the roll out of interval meters; and
  - the fact that the Proposal requires no changes to AEMO IT systems that would affect the systems of the Participants.
- AEMO has been requested to provide this Final Report to the EMSG by 1 June 2024.

### 2.2. NER requirements

NER 7.16.1 requires AEMO to maintain the procedures specified in NER Chapter 7 (except for procedures under NER 7.17) in accordance with the rules consultation procedures.

## 2.3. The national electricity objective

Within the specific requirements of the NER applicable to the Proposal, AEMO has sought to make a determination that is consistent with the national electricity objective (**NEO**) and, where relevant, to select the option best aligned with the NEO.

The NEO is expressed in section 7 of the National Electricity Law as follows:

to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to:

- (a) price, quality, safety, reliability and security of supply of electricity; and
- (b) the reliability, safety and security of the national electricity system; and
- (c) the achievement of targets set by a participating jurisdiction—
  - (i) for reducing Australia’s greenhouse gas emissions; or
  - (ii) that are likely to contribute to reducing Australia’s greenhouse gas emissions.

### 3. List of material issues

The issues raised in responses to the Draft Report are summarised in Table 2.

**Table 2 Summary of material issues**

No.	Issue	Raised by
1.	The proposed transition approach for moving NMs to the NSLP doesn't align with business practices/ is not the most effective method.	PLUS ES, Ausgrid
2.	The proposed transition would coincide with other changes to the NSLP.	AGL

The detailed table of issues raised in stakeholder responses to the Draft Report, together with AEMO's responses, is contained in Appendix B.

Each of the material issues in Table 2 is discussed in Section 4.



## 4. Discussion of material issues

### 4.1. Transition of NMIs from the CLP

#### 4.1.1. Issue summary and submissions

Both PLUS ES and Ausgrid recommended that NMIs should be transitioned to the NSLP retrospectively using the last available read. In the Draft Report, AEMO proposed that each NMI would be transitioned from the CLP as the meter was read during the period between:

- the Final Report publication date 31 May 2024; and
- the Document Amendment effective date of 1 September 2024.

#### 4.1.2. AEMO's assessment

AEMO assesses this retrospective approach using the last available read to be preferable, based on:

- AEMO's view that, where possible, the change of profile should occur on a read to limit the use of estimates in settlement.
- PLUS ES' view that the approach allows for the focus of metering providers to be on cleaning errors and exceptions.

In the NEM settlement process, the NSLP profile is locked 15 weeks after the settlement week. Accordingly, any retrospective changes should not exceed a 12-week limit, to retain the integrity of this process.

The Draft Report noted that the proposed transition had the potential benefit that the CATS Notifications resulting from each NMI profile change would be spread over a 3-month period. There would need to be coordination to manage transaction volumes in the NEM, if the three NSW networks were to apply the profile change retrospectively over a short period of time.

#### 4.1.3. AEMO's conclusion

AEMO agrees with PLUS ES and Ausgrid the profile change should be applied retrospectively, in the interests of efficiency. AEMO has engaged with industry to ensure that the transaction volumes are managed across the NEM and that participants understand their responsibilities.

### 4.2. Other changes to the NSLP coinciding with transition of NMIs from the CLP

#### 4.2.1. Issue summary and submissions

The profile methodology for the NSLP is being amended at the end of September 2024. When positive and negative NSLP trading interval values are present, significant fluctuations, or 'spikes', are observed when the NSLP is applied to these reads. This new methodology will manage these situations by applying a minimum (non-zero) 'floor' to the applicable values.

In its submission, AGL stated:

*“...that there is a plan to amend the NSLP effective September 2024 and changing the CLP will impact the outcomes of the NSLP as well as participant allocations.”*

AGL recommended that changing NSW NMIs from CLP to NSLP should occur either significantly prior to or subsequent to the broader NSLP changes.

#### 4.2.2. AEMO's assessment

AEMO highlighted in the Draft Report that the cost of maintaining sample meters for the NSW network businesses is rising as the smart meter roll out continues. Ausgrid also noted that the decommissioning of the Telstra 3G network is creating an additional cost to maintain the existing sample meter fleet.

The removal of the NSW CLP sooner rather than later is a clear benefit to the NSW network businesses.

The more rapid transition approach described in section 4.1 will mean that most NSW NMIs will have been transitioned from the CLP by the end of September 2024. This timing should allow for participants to observe the effects of the change in NSLP methodology, without any complication arising from the transition of NMIs from the CLP.

## 5. Final determination on proposal

Having considered the matters raised in the responses to the Draft Report, AEMO's final determination is to undertake the Amendments to the following Documents in the form published with this Final Report, in accordance with NER 7.16.1:

- Metrology Procedure: Part A.
- Metrology Procedure: Part B.
- MSATS Procedures: MDM Procedures.
- MSATS Procedures: CATS Procedure.
- Standing Data for MSATS document.

### Effective date

The effective date of this determination is 1 September 2024.

## Appendix A. Glossary

Term or acronym	Meaning
AEMO	Australian Energy Market Operator
CLP	Controlled Load Profile
DNSP	Distribution Network Service Provider
EMSG	Energy Ministers Sub-Group
NER	National Electricity Rules
NEO	National Electricity Objective
NSLP	Net System Load Profile

## Appendix B. List of Submissions and AEMO Responses

No.	Stakeholder	Issue	AEMO response
<b>Do you have any comments to make in relation to the proposal?</b>			
1	Ausgrid	Ausgrid supports the removal of Controlled Load Profile (CLP) from NSW jurisdictional material in the AEMO metrology Procedures.	AEMO notes the respondent's comment.
2	AGL	The draft report focusses on the procedural and operational mechanics of transitioning the meters from the Controlled Load Profile (CLP) but does not describe any consideration of the impacts which may occur to participant energy allocations and therefore participant energy allocations or the effect this will have on the Net System Load Profile when the Controlled Load profile is removed.	AEMO notes the respondent's comment. The Jurisdictional metrology material is being changed as requested by the EMSG. AEMO has attempted to make the transition as straightforward and least impactful for participants by changing the profile on a read.
3	PLUS ES	<p>PLUS ES supports the objective of amending procedures to remove the CLP for NSW NMIs and replace it with an alternate profile. However, we recommend that the MDP, is not locked into the proposed approach of allowing the profile change to coincide with the read cycle for each NMI. This approach requires the MDP to implement and support an interim process for a period greater than a 3-month read cycle. Additionally, at the end of the 3 months there is the potential that a portion of sample meters may have not been read, hence, requiring a 'clean-up' beyond the proposed 1 September date. If this process was to be maintained, PLUS ES suggests a holiday compliance period of 3 months post 1 September is required.</p> <p>An alternative approach, such as using the previous last read date to deliver the profile changes within the criteria set by AEMO, will deliver operational efficiencies without impacting the timelines and AEMO's market settlement process.</p>	AEMO notes the respondent's comment. The transition approach has been amended (see section 4.1).
<b>Do you have any comments to make regarding the fast-tracked approach to the procedure consultation?</b>			
4	Ausgrid	Ausgrid supports the expedited consultation.	AEMO notes the respondent's comment.
5	PLUS ES	Whilst the requirement for a fast-tracked procedure consultation is understood, PLUS ES notes the participant downstream impacts are not limited to only the profile name change. That is, the participant effort is not Low, as could be implied by a fast-tracked approach.	AEMO notes the respondent's comment. The transition approach has been amended (see section 4.1).
<b>Other issues relating to the consultation subject matter</b>			
6	Ausgrid	<p>Ausgrid has approximately 215,000 Type 6 NMIs with a NSW CLP which will be required to be updated in MSATS.</p> <p>Ausgrid's preference is to update the MSATS profile name field to NSLP retrospectively from the previous last read date (back to March 2024)</p>	AEMO notes the respondent's comment. The transition approach has been amended (see section 4.1).

No.	Stakeholder	Issue	AEMO response
		<p>commencing from consultation final report date (currently expected to be 31st May 2024). This would be scheduled to update 10,000 NMIs per day (so as not to exceed transaction threshold limits) until all NMIs have been updated. From discussions with AEMO, we would like to schedule this update in conjunction with AEMO to have minimal impact on AEMO's settlement process.</p> <p>If AEMO decide that updating must occur after each relevant Type 6 meter read, a three month period is insufficient. If this option is selected to update profile name field in MSATS, Ausgrid will require at least 5 month period from consultation final report date (currently expected to be 31st May 2024).</p> <p>Ausgrid would also like to highlight the imminent 3G mobile network shut down. Ausgrid has upgraded a number of CLP NMIs with a 4G modem, however there is a program in place to upgrade the remaining modems. Ausgrid's preference, would not want to go to this expense if the modems are not required to read CLP metering.</p>	
7	AGL	<p>AGL notes that there is a plan to amend the NSLP effective September 2024 and changing the CLP will impact the outcomes of the NSLP as well as participant allocations.</p> <p>AGL would be concerned that any changes to the NSW Hot Water CLP are effected sufficiently prior to the NSLP change date or sufficiently after the NSLP change date, so that any impacts on the NSLP are not muddled by CLP changes.</p>	AEMO notes the respondent's comment. The transition approach has been amended so that it will substantively conclude by 1 September 2024.
8	PLUS ES	<p>In addition to the mark ups in the associated procedures, PLUS ES recommends the below feedback need to be considered:</p> <p>CATS Procedure –</p> <ul style="list-style-type: none"> <li>Table 4-D – NMI Classification Codes: The Jurisdiction column for NMI Classification Code SAMPLE needs to be amended from All to identify that NSW is excluded, from 1 Sept 2024.</li> </ul> <p>Standing Data for MSATS –</p> <ul style="list-style-type: none"> <li>Table 15 - CATS_NMI_DATA_STREAM – Field Definitions: In the description for ProfileName, NSW has been removed from the second bullet point. PLUS ES supports that this needs to be added to the bullet point above. That is, the first bullet point should read: In Victoria, NSW, and the ACT, the ProfileName must be NSLP.</li> </ul>	Agreed.