



# EXEMPTION PROCEDURE

(METERING INSTALLATION MALFUNCTIONS)

**Prepared by:** AEMO MARKETS

**Version:** [1.32.0](#)

**Effective date:** ~~4 MARCH 2024~~ [December 2025](#)

**Status:** ~~FINAL~~ [Draft](#)

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## Current version release details

Version	Effective date	Summary of changes
<a href="#">2.0</a>	<a href="#">1 December 2025</a>	<a href="#">Updated for Accelerating Smart Meter Deployment rule change</a>

**Note:** There is a full version history at the end of this document.

# 1. INTRODUCTION

## 1.1. Purpose and scope

This is the Exemption Procedure – Metering Installation Malfunctions made under clause 7.8.10(b) of the National Electricity Rules **(NER) (Procedure)**.

This Procedure sets out the process by which a Current Metering Coordinator (**MC**) may apply for an exemption from complying with clause 7.8.10(a) for the rectification of a metering installation malfunction.

This Procedure has effect only for the purposes set out in the NER. The NER and the National Electricity Law prevail over this Procedure to the extent of any inconsistency.

## 1.2. Definitions and interpretation

### 1.2.1. Glossary

Terms defined in the National Electricity Law and the NER have the same meanings in this Procedure unless otherwise specified in this clause.

Terms defined in the NER are intended to be identified in this Procedure by italicising them, but failure to italicise a defined term does not affect its meaning.

The Retail Electricity Market Procedures – Glossary and Framework:

- (a) Is incorporated into and forms part of this Procedure; and
- (b) Should be read in conjunction with this Procedure.

### 1.2.2. Interpretation

This Procedure is subject to the principles of interpretation set out in Schedule 2 of the National Electricity Law.

## 1.3. Related documents

Title	Location
Retail Electricity Market Procedures – Glossary and Framework	<a href="http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Retail-and-metering/Glossary-and-Framework">http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Retail-and-metering/Glossary-and-Framework</a>
Metrology Procedure: Part A	<a href="http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Retail-and-metering">http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Retail-and-metering</a>
Metering Installation Exemption Guideline	<a href="https://aemo.com.au/-/media/files/electricity/nem/retail_and_metering/market_settlement_and_transfer_solutions/2024/metering-installation-exemption-guideline-v11-clean.pdf?la=en">https://aemo.com.au/-/media/files/electricity/nem/retail_and_metering/market_settlement_and_transfer_solutions/2024/metering-installation-exemption-guideline-v11-clean.pdf?la=en</a>

## 1.4. Metering Installation Exemption Guideline

The ~~requirements in this procedure must~~process in this document needs to be read in conjunction with the Metering Installation Exemption Guideline as this guideline provides applicants with relevant information required to enable ~~Metering Coordinators~~Cs to apply and manage their metering installation exemptions.

## 2. APPLICATION REQUIREMENTSPROCESS

### 2.1. Applicant

The only Participant who can apply for, and benefit from, an exemption granted by AEMO under clause 7.8.10 of the NER is the Current MC for the *metering installation* affected by the *metering installation malfunction*.

~~A Current~~n MC is not required to apply for an exemption in the circumstances contemplated by clause 11.86.7(g)(2) of the NER where it is the ~~Local Network Service Provider (LNSP)~~:

- (a) Appointed as the ~~Current~~ MC under clause 11.86.7(a) of the NER; or
- (b) Deemed to be appointed as the ~~Current~~ MC under clause 11.86.7(c) of the NER, in respect of a type 5 or 6 *metering installation*.

~~The Current MC may~~must apply to AEMO as soon as they ~~Current~~ become aware of a *metering installation malfunction that cannot be repaired within the timeframes specified by clause 7.8.10(a) of the NER*.

~~using All other requested and supporting documents must be sent to the AEMO Metering inbox.~~

informa

### 2.2. Timing of ApplicationLimitations and reasonable use of the exemptions process

- (a) Applications for a metering installation malfunction exemption must include one or more of the following reasons preventing the rectification of the malfunction within the timeframes specified by clause 7.8.10(a) of the NER:
  - (i) Procurement Delays: The pProcurement time of an instrument transformer metering installation component exceeds the metering installation malfunction rectification timeframe.
  - (ii) Authorised access or specialised equipment requirements:
    - (A) A hazard has been identified that necessitates specialised equipment, authorised personnel, or an action to be performed by a third party for the malfunction to be rectified.

- (B) Permits or induction training are required before the site can be accessed to rectify the malfunction, such as might reasonably apply for a *metering installation* connected to the transmission network.
- (iii) Volume management (*family failures* only) – a significant volume of metering installations has failed to be accepted due to the ~~Current MC's~~ sample testing processes, as outlined in their AEMO-approved Asset Management Strategy, beyond what could reasonably have been predicted.
- (b) Applications for *family failure* exemptions must include all NMIs associated with that *family failure* for which the MC is seeking an exemption. Applications for exemptions that are not related to a *family failure* must not be grouped and must be provided on a per NMI basis.
- (c) Unforeseen extraordinary events, such as natural weather events, that were not predictable, preventable, or controllable, or that did not result from negligence by any party associated with the *metering installation*, and which are likely to affect the ability to rectify malfunctions and other metering activities for a significant number of NMIs, should not be the subject of an exemption application.
- (a)(d) If the *metering installation malfunction* is related to a hazardous or unsafe condition at an electrical installation, the MC must not apply for a *metering installation malfunction* exemption.
- (e) A NMI may only be subject to one malfunction exemption at any given time.
- (f) An MC is not permitted to reapply for an exemption for a NMI once a malfunction exemption has expired, unless the reason for seeking a new exemption has materially changed and the previous malfunction has been rectified.

## 2.3. Exemption periods

- (a) For *metering installations* with *family failures*, the MC may apply for an exemption period of no longer than 70 *business days*; ~~in addition to the timeframe provided for metering installation malfunction rectification in the NER 7.8.10(a)(2)(ii).~~
- (b) For whole current *metering installations* with individually identified malfunctions at *small customer premises*, the MC can apply for an exemption period of no longer than 15 *business days* in addition to the timeframe provided for metering installation malfunction rectification in the NER 7.8.10(a)(2)(i).
- (c) For whole current *metering installations* with individually identified malfunctions at *large customer premises*, the MC can apply for an exemption period of no longer than 15 *business days* in addition to the timeframe provided for metering installation malfunction rectification in the NER 7.8.10(a)(3)(i).
- (d) For *metering installations* with instrument transformers, the MC must specify the desired exemption expiration date in their application, which should be the date by which the malfunction is planned to be rectified.
- (e) Applications for extensions to approved exemptions can only be submitted as specified in section 4 of this procedure.
- ~~For whole current *metering installations*, the MC must specify the desired exemption expiration date in the application. If the metering installation does not include instrument transformers, the MC may apply for an exemption period of no longer than:~~

  - ~~15 *business days* for individually identified malfunctions, or~~

~~\_\_\_\_\_ 70 business days, for malfunctions related to family failures.~~

~~The Current MC must apply to AEMO as soon as the Current MC becomes aware of a metering installation malfunction that cannot be repaired within the timeframes specified by clause 7.8.10(a) of the NER using the metering installation exemption application process in MSATS.~~

## **2.4. MC rectification plans**

~~The Current MC must provide a rectification plan with its application for exemption, which must include:-~~

~~\_\_\_\_\_ In all cases the rectification plan must include:~~

- ~~(a) \_\_\_\_\_ The reason for the application for an exemption; and~~
- ~~(b) \_\_\_\_\_ The timeframe requested for the exemption, i.e. the date the MC became aware of the metering installation malfunction and exemption end date;~~
- ~~(b) \_\_\_\_\_ The timeframe requested for the exemption.~~
  
- ~~(c) \_\_\_\_\_ Where the rectification plan relates to a family failure, a description of the circumstances that require an exemption and any preventative and corrective actions required regarding the MC's Asset Management Strategy, e.g.:~~
  - ~~(i) \_\_\_\_\_ Exceptional circumstances that could not reasonably have been foreseen by the MC when developing and operating to their AEMO approved Asset Management Strategy; and~~
  - ~~(ii) \_\_\_\_\_ Proposed amendments to the MC's approved Asset Management Strategy to mitigate against the need for further exemptions.~~

~~(d) \_\_\_\_\_ Where the rectification plan relates to a metering installation where the metering installation malfunction relates to an instrument transformer(s) are the cause of the malfunction:~~

- ~~(i) \_\_\_\_\_ The nature and cause of the metering installation malfunction;~~
- ~~(ii) \_\_\_\_\_ The actions required to rectify the metering installation malfunction;~~
- ~~(iii) \_\_\_\_\_ A timetable to which the rectification work is scheduled to be conducted;~~
- ~~(iv) \_\_\_\_\_ Details of any equipment or facility to be replaced;~~
- ~~(i) \_\_\_\_\_ Any planned shutdown or outage periods; and~~
- ~~(v) \_\_\_\_\_~~

~~\_\_\_\_\_ Where metering data is to be substituted as a result of the metering installation malfunction, the method for the treatment of metering data for the duration of exemption and where any metering data substitution is required:~~

~~(e) \_\_\_\_\_ d~~

~~(ii) — details of the proposed metering data Substitution method(s) and the rationale for their selection; and~~

~~(i) \_\_\_\_\_~~

~~(ii) — the time period(s) for which Substituted metering data will be provided to market participants.~~

~~\_\_\_\_\_~~

~~— A technical assessment detailing the nature and cause of the *metering installation malfunction*;~~

~~— Issues that have inhibited prior rectification;~~

~~— The actions required to rectify the *metering installation malfunction*;~~

~~— A timetable to which the rectification work is scheduled be conducted;~~

~~— Details of any equipment or facility to be replaced;~~

~~— Any planned shutdown or outage periods; and~~

~~— Where the rectification plan relates to a metering installation which includes instrument transformers:~~

~~— the MC must include a method for the treatment of metering data for the duration of exemption;~~

~~— details of the proposed metering data Substitution method(s) and the rationale for their selection; and~~

~~— the time period for which Substituted *metering data* will be provided to market participants.~~

## 3. APPLICATION ASSESSMENT

### 2.3.3.1. AEMO's Determination assessment

- (a) On receipt of an application for exemption, AEMO must:
- (i) Assign a unique ID number to the application, or verify, within two business days, the ID number provided by the applicant where the application is for an extension to an existing exemption. ~~A Unique ID will be assigned by MSATS and will not change upon an extension of that exemption. A count will be added to each exemption every time an extension is approved. When an application for an extension is made, a status of 'for review' will be assigned to that application and AEMO will determine whether the application is approved, rejected or requires additional information.~~
  - (ii) Provide the applicant with confirmation of receipt and the ID number of the application; ~~this will be provided to the Metering Coordinators~~ as soon as they Metering Coordinator saves an application in the MSATS system.



- ~~(b)~~—Within 10 *business days* of receipt of an application for exemption or extension, AEMO will must:
- ~~(b)~~ Review the application and approve or reject the application as necessary.
- (c) AEMO may request addwhere necessary, request additional information to support the application in lieu of a rejection and may stipulate the timeframe by which that information must be provided for AEMO's consideration. The application process is a two-step process with the application itself is submitted to the MSATS system and supporting documentation is submitted to AEMO by email. The email address is meter@aemo.com.au. If additional documentation has not been received when AEMO is reviewing the application then AEMO will request that documentation and the application will be assigned the status of 'more info'.
  - ~~(i)~~—Approve or reject the application when all required information has been provided and advise the Metering Coordinator C via the MSATS system.
- (d) When AEMO requests additional information to support the application the 10 *business day* timeframe and the processes described in 3.1(b) will begin from the date the additional information is received by AEMO.
- (e) The MC and other POther participants who have a relationship with the NMI(s) that is the subject of the exemption, within the exemption will receive notification of exemption status changes via the CR Notification process as MSATS is populated with Unique ID and exemption expiry date upon approval or when these values in the fields are removed upon expiry of exemption, rectification of metering installation or cancellation of exemption.

### 2.4.3.2. Matters taken into cConsideration

Applicants will note that all applications will be considered on their merits and no previous grant of an exemption will be taken as creating a binding precedent on AEMO.

AEMO will take into account the following when considering an application:

- (a) The nature and contents of the application;
- ~~(b)~~ The MC's rectification plan;
- ~~(b)(c)~~ The nature of the *metering installation malfunction* and whether it was caused by a breach of the NER by the Current MC;
- ~~(e)(d)~~ Whether the Current MC has actively sought to find a way in which to rectify the *metering installation malfunction*;
- ~~(d)(e)~~ The impact of the *metering installation malfunction* on *settlements* and other Participants;
- ~~(e)(f)~~ How *metering data* will continue to be provided to AEMO and other Participants from that *metering installation* until the *metering installation malfunction* has been rectified, specifying how the quality and timeliness of the provision of that *metering data* will be addressed;
- ~~(f)~~—The practical consequences of granting an exemption;
- (g) Where provided, a draft of the MP's rectification plan; and
- (h) Any other information that AEMO considers to be relevant to the application.

### 2.5.3.3. Grant of ~~e~~Exemption

An exemption granted by AEMO will commence on the latter of:

- (a) the date that AEMO received the application via MSATS, or
- (b) the date that AEMO has received the completed supporting documentation (if required) via the email process, or
- (a)(c) the last day of the timeframe provided for malfunction repair in the NER commencement date requested in the application (whichever is the latter).

AEMO may grant the exemption on a conditional basis. Typical conditions that AEMO might impose include, without limitation, the following:

- (a) ~~The date by which the Current MC must provide AEMO with the MP's rectification plan in the form specified in section 3 for the rectification of the metering installation malfunction.~~
- (b)(a) The date by which the ~~Current~~ MC must ensure ~~the MP completes~~ the rectification of the *metering installation malfunction* is completed in accordance with ~~the MP's their~~ rectification plan.
- (e)(b) What action the ~~Current~~ MC must take to mitigate the effects of the *metering installation malfunction* on *settlements* and other Participants.

If the ~~Current~~ MC fails to meet any condition specified in the grant of the exemption, AEMO may revoke the exemption by notice to the ~~Current~~ MC.

### 2.6.3.4. Application ~~u~~Unsuccessful

If AEMO does not grant the exemption sought by the ~~Current~~ MC, AEMO will provide reasons.

The types of reasons for which an application might not be successful include the following, without limitation:

- (a) A failure to provide further information by the date specified by AEMO in its request for that information;
- (a)(b) The application is inconsistent with the requirements of the NER and this Procedure;
- (b)(c) The malfunction referred to in the application does not constitute a *metering installation malfunction*; and
- (d) The existence of other options available to the ~~Current~~ MC to rectify the *metering installation malfunction* that would not require an exemption.

## 4. EXEMPTION MANAGEMENT

### 2.7.4.1. Extensions to an exemption

- (a) The Current MC may only apply to AEMO for an extension to an exemption for a metering installation malfunction that comprises instrument transformers, and where rectification of the malfunction requires the replacement of one or more instrument transformers using MSATS.
- (b) Any application for an extension must be submitted to AEMO at least seven *days* prior to the expiry of the exemption. AEMO will consider the application in accordance with sections 2.3 to 2.6.
- (c) AEMO will notify the current MC up to 21 *days* prior to the exemption expiring of all exemptions that are due for expiration.
- (d) If exemption extensions are not submitted prior to the expiry date, then the exemption will be updated to Expired status. An Expired status will not allow an extension to be submitted against it.
- (e) Exemptions will automatically expire 21 days after the on the exemption expiry date if a request for the exemption extension is not approved.

### 2.8.4.2. Current MC's obligations during the exemption period

The Current MC must:

- ~~(a)~~ Provide the Metering Provider's (MP's) rectification plan to AEMO in the form specified in section 3 for the rectification of the *metering installation malfunction* by the date specified by AEMO;
- ~~(b)~~(a) Within one *business day*, notify all affected Participants of the grant of the exemption and any extension to the exemption and provide them with a copy of the MP's rectification plan;
- ~~(c)~~(b) Diligently pursue the rectification of the *metering installation malfunction* in accordance with the MP's rectification plan and complete the rectification prior to the end of the exemption period by the date specified by AEMO;
- ~~(d)~~(c) Keep AEMO and all affected Participants informed of any changes to the MP's rectification plan and provide a copy of the amended rectification plan to them;
- ~~(e)~~(d) Notify AEMO and all affected Participants when the *metering installation malfunction* has been rectified; ~~and~~
- (e) Where there is a New MC for a *connection point*, notify the New MC of the exemption within five *business days*, ~~and~~ provide the New MC with the exemption number and a copy of the the MP's rectification plan within that notification; and; prior to the change in Role so that the new MC can make the determination to apply for an exemption.
- (f) Retain all relevant information supporting the case for the application for the duration of the exemption period and make it available within 2 business days to AEMO following a request.

Note: The change request functionality will provide CR notifications to participants who have a relationship with the NMI. Obligations of notifying participants of exemptions or extension to exemptions may be met using this functionality. Reporting functionality will provide the new MC

notice that they have been assigned to a NMI that has a current exemption and they must apply for a new exemption. This may meet the obligation to notify the new MC. Ultimately the MC must assess whether their obligations are met using these two functionalities.

### 2.9.4.3. Expiry of an eExemption

Any exemption ~~(or extension)~~ granted by AEMO in accordance with this Procedure will expire upon the earliest of the:

- (a) Rectification of all *metering installation malfunctions* within the exemption application;
- (b) Expiry date specified by AEMO;
- (c) Abolishment of the *NMI* and *metering installation* where this is the only *NMI* in the exemption;
- (d) ~~Current~~ MC's cessation of appointment as MC for the *metering installation* affected by the *metering installation malfunction*; where this is the only *NMI* in the exemption, and
- (e) Revocation of the exemption by AEMO.

When any of the above conditions are met, the exemption will move to an Expired status. Expired status is an end status and nothing further can be done with this exemption.

### 2.10.4.4. Removal of a NMI from the eExemption

The removal of a *NMI* from an exemption that relates to a family failure may not trigger the expiration or resolution of an exemption unless it is the last remaining *NMI* active in the exemption. ~~Removal of NMIs can be done at anytime the exemption is in an Active status.~~ Removal of NMIs from an exemption can be done at any time during the period for which the exemption is current.

### 2.11.4.5. Revocation of eExemption

If the ~~Current~~ MC fails to meet any condition of the exemption specified by AEMO, ~~or any of the conditions specified in section 2.8, or is unable upon request to provide AEMO with adequate information to confirm the veracity of an exemption,~~ AEMO may revoke the exemption and notify the ~~Current~~ MC of the revocation, whereupon the ~~Current~~ MC must notify all affected Participants of the revocation within one *business day*.

## 4.6. Suspending or restricting applications

If AEMO has concerns regarding the proper use of the *metering installation malfunction* application processes, AEMO may ~~suspeed~~suspend or restrict an MC from applying for *metering installation malfunctions* exemptions at any time.

## 3. ~~RECTIFICATION/ACTION PLANS~~

~~Timing~~

~~Where it is practicable to do so:~~

The Current MC should provide a draft of the MP's rectification plan with its application for exemption:

- (iii) — The Current MC should provide a MDP action plan for HV and LV CT sites with its application for exemption.
- (a) — If it is not practical to provide rectification plans in 3.1(a), the Current MC must ensure that the MP's rectification plan is provided to AEMO in accordance with 7.8.10(c) of the NER, and the MDP rectification plan is provided to AEMO by the date specified by AEMO in its notice of exemption to the Current MC.

### 3.1. Contents

### 3.2. MP Rectification plan

The MP rectification plan must include:

- (a) — A technical assessment carried out by the MP of the reason for the *metering installation malfunction* and the repair work required;
- (b) — A timetable listing the dates on which the relevant repair work will be carried out;
- (c) — Details of any equipment or facility to be replaced;
- (d) — A timetable listing the test and re-certification program for replaced *metering installation* components; and
- (e) — Any planned shutdown or outage periods.
- (f) —
- (g) — MDP Action plan
  - (h) —
  - (i) — The MDP action plan must include:
    - (j) — Details of Proposed/ Planned metering data Substitution/ Estimation method(s)
    - (k) — Reasons why the Substitution/Estimation method(s) have been chosen.
    - (l) — Periods of Metering Data Substitution/ Estimation
      - — Provide the period/ dates of Substituted/ Estimated *metering data* will be provided to the Market/ AEMO.
      - — Provide the period/ dates for each Substitution/ Estimation “Type”, if different methods and types are used.
  - (a) — Additional information to be provided with the exemption application and this MDP action plan
    - — Correspondence/emails from the Metering Coordinator (MC).
    - — Instructions/requests from the MC.

## Version release history

Version	Effective Date	Summary of Changes
<a href="#">2.0</a>	<a href="#">1 December 2025</a>	<a href="#">Updated for Accelerating Smart Meter Deployment rule change</a>
1.3	4 March 2024	Updated to reflect changes for new automation of exemptions
1.2	1 May 2022	Updated to incorporate clause reference changes in National Electricity Amendment (Introduction of metering coordinator planned interruptions) Rule 2020 No. 7.
1.1	20 May 2020	Updated to incorporate additional clause reference in the National Electricity Amendment (Metering installation timeframes) Rule 2018 No. 15.
1.0	1 December 2017	<p>First Issue.</p> <p>Document incorporates:</p> <ul style="list-style-type: none"> <li>National Electricity Amendment (Expanding Competition in Metering and Related Services) Rule 2015. No.12;</li> <li>National Electricity Amendment (Embedded Networks) Rule 2015 No. 15; and</li> <li>National Electricity Amendment (Meter Replacement Processes) Rule 2016 No. 2.</li> </ul>