

13th March 2019

Richard Owens
Executive General Manager
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

By electronic submission: EMO0036

Dear Mr Owens

RE: Updating the regulatory frameworks for embedded networks, Draft Report

Powermetric welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) Draft Report on Updating the Regulatory Frameworks for Embedded Networks.

About Powermetric

Powermetric Metering Pty Ltd (Powermetric) is an Australian Electricity Market Operator accredited Metering Provider and Metering Data Provider and registered Metering Coordinator operating in Australia's National Electricity Market. Powermetric, which is wholly-owned by ERM Power Limited, offers a range of products and services including installation, testing, maintaining and reading meters for corporate, government and industrial electricity customers. Powermetric's systems are specifically designed to help large electricity users manage their complex electricity needs.

General Comments

Powermetric supports the framework proposed by the AEMC and considers many of the changes will bring increased competition and efficiency gains, benefiting both customers of embedded networks and participants that operate in them.

More specifically, we believe the new provisions to appoint a Metering Coordinator, Metering Provider and Metering Data Provider will remove the current discrepancy between metering requirements for off market and on market embedded network customers, which has been a major barrier to retail competition. NEM retailers will be less likely to face the upfront costs to upgrade or replace metering installations at a site and will have more certainty around the costs for metering services, as opposed to the metering costs imposed by unauthorised providers.

Engaging authorised providers for off market metering arrangements will ensure there is not only a more consistent level of service delivered but also greater confidence in metering equipment with the same stringent maintenance, testing and inspection regime as required for NER compliant meters. Importantly, this assurance to the standards of metering equipment will bring greater confidence in the accuracy of consumption data recorded for billing and market settlement.

The AEMC has recommended the new framework will apply to new embedded networks, with a grandfathering arrangement proposed for legacy exempt network service providers and exempt sellers. Further, the AEMC's has

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considered allowing legacy exempt network service providers and exempt sellers to choose to transition to the new framework by making it simpler to surrender an exemption. We believe the AEMC should consider a trigger for transitioning to the new framework in the circumstances where an embedded network's metering is being replaced, or the network arrangement is being altered (such as brownfield changes). This will quicken the transition and allow some existing sites to realise the benefits of the new framework whilst they undergo other conversions or upgrades.

If you have any questions in relation to this submission, please contact Ian Wolhuter, Manager Powermetric.

Yours sincerely,

A handwritten signature in black ink that reads "Michelle Barry". The signature is written in a cursive, flowing style.

Michelle Barry
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