# INTELLIHUB GROUP

# SUBMISSION TO THE AEMC DIRECTIONS PAPER ON UNLOCKING CER BENEFITS THROUGH FLEXIBLE TRADING

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**P** 1300 119 919 | **E** info@intellihub.com.au | www.intellihub.com.au | Level 14, 570 George Street, Sydney, NSW 2000 Australia

The Intellihub Group (**Intellihub**) is an Australian and New Zealand based utility services company that delivers innovative metering and data solutions to maximise digital and new energy services. We are an experienced and leading provider of multi-utility services across electricity, gas and water networks for residential, commercial & industrial, embedded network and solar metering customers.

Intellihub appreciates the opportunity to provide feedback on the Australian Energy Market Commission's (**AEMC**) Directions Paper on Unlocking CER Benefits Through Flexible Trading. We support the AEMC's initial views expressed in the Directions Paper, which are:

- Progress with opportunities to separately identifying and manage CER
- Not progressing with options for multiple energy service providers to operate at a single residential or small business premises
- Progress with options for flexible trading using multiple service providers for large customers
- Progress with AEMO's minor energy flow meter (MEFM) framework for street lighting and public furniture
- Development of a model to assess the costs and benefits of increased integration of CER flexibility

We are supportive of the MEFM framework because innovative solutions are emerging that allows measurement of energy flow within a much smaller footprint than a typical type 4 meter, which are suitable for existing unmetered devices like streetlights and public furniture. We believe this is an opportune time to implement the MEFM framework given the maturity of these innovative solutions and recent industry changes means a framework that supports more accurate measurement of energy flow is becoming more important, for example the introduction of global settlements and non-contestable unmetered loads.

To make the MEFM framework successful we believe there should be consideration of the unique uses case and problem it is solving. The primary use case is to provide a better approach for determining energy flow for unmetered devices which are usually streetlights and public furniture. Given the nature of these loads we agree that some of the usual metering requirements can be relaxed. For example, requiring a display, requiring remote disconnection and reconnection functionality and inspection and testing requirements could be relaxed. However, the accuracy for measuring energy flow and safety of installation must not be compromised and should be appropriately defined to provide the customer and the industry confidence in the minimum standards for the MEFM framework. In addition, since we expect the MEFM framework will have unique requirements and restrictions, we believe it should be defined under a separate meter type and accreditation to avoid causing confusion. We strongly suggest the MEFM framework be restricted to current unmetered scenarios such as street lighting and public furniture and not be an alternative to scenarios where an existing metering type could be used.

We support the MEFM framework being opened to contestable metering parties because similar to other metering types it will help to foster competition and innovation. We do not support allowing only distributors to perform the MC, MP and MDP functions under the MEFM framework because metering is not a distribution service and it would not align with the broader industry direction of moving metering from a monopoly framework to a competitive framework. We note any advantage

that a distributor has, for example access to certain information about streetlights or street furniture, should not be a reason for allowing only distributors to provide metering services and instead should be resolved in this consultation to ensure that there is a level playing field.

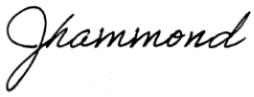
We believe the advantages of the MEFM framework, such as accuracy of determining energy flow and access to retail contestability, will provide sufficient incentives for the MEFM to be an opt-in. To maintain the benefits of the MEFM framework we suggest once a device adopts the MEFM framework then the device should not be allowed to later be classified as unmetered.

We agree that flexible trading will be too complex for small customers therefore we agree with the AEMC looking to progress flexible trading for large customers only. We also agree that developing a model to assess the costs and benefits of increased integration of CER flexibility is sensible and will help to provide much needed insight. We understand AEMO's proposal was to allow the MEFM framework to be utilised for flexible trading, however with flexible trading only allowed for large customers we believe the MEFM framework should not be allowed for flexible trading or for large customers in general. It is expected the accuracy requirement for a MEFM will allow higher allowable error which would be acceptable for measuring minor energy flow but would result in unacceptable error for energy flow that is typical for large customers. From our experience, large customers prefer to have a higher accuracy meter because this gives them the confidence that their energy is measured with a tighter accuracy tolerance.

We support the AEMC exploring options to separately identify and manage CER, however we believe any option identified should be left to the customer to decide if they wish to implement it because customers would be best placed to determine the value of implementing the options. The AEMC should avoid defining an option to be the default arrangement because this will introduce additional cost to customers who may not utilise or value the default arrangement.

We would be happy to provide more detail and to work closely with the AEMC. If you have any questions regarding this submission please contact Dino Ou, Industry Development Lead on dino.ou@intellihub.com.au or 02 8303 4033.

Regards,



Jonathan Hammond
Executive General Manager Strategy and Corporate Development
Intellihub