

Public Forum | 16 Oct 2023

AEMC

# Unlocking CER Benefits through flexible trading

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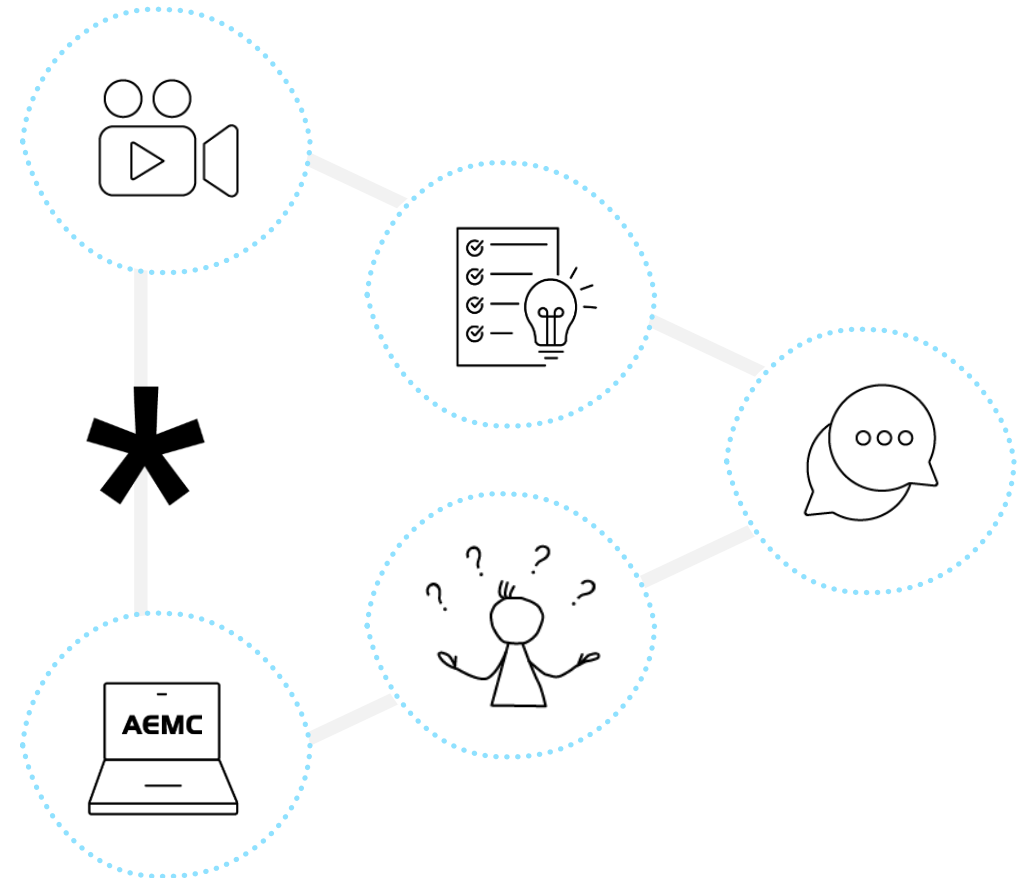


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# COMPETITION PROTOCOL

## KEY PRINCIPLES



The AEMC is committed to complying with all applicable laws, including the ***Competition and Consumer Act 2010*** (CCA), during this forum. Breaching the CCA can lead to serious penalties for individuals involved in any breach (including large financial penalties and imprisonment for key individuals involved). This protocol governs the way in which discussions will proceed at this forum, and each attendee agrees to adhere to this protocol in order to comply with the CCA.

**Each attendee** must make an independent and unilateral decision about their commercial positions and approach in relation to the matters under discussion in this forum.

Attendees must not discuss, or reach or give effect to any agreement or understanding which relates to:

- **pricing** for the products and/or services that any attendee supplies or will supply, or the terms on which those products and/or services will be supplied (including discounts, rebates, price methodologies etc)
- **targeting (or not targeting) customers** of a particular kind, or in particular areas
- **tender processes** and whether (or how) they will participate
- any decision by attendees:
  - about the purchase or supply of any products or services that other attendees also buy or sell
  - to not engage with persons or the terms upon which they will engage with such persons (i.e. boycotting); or
  - to deny any person's access to any products, services or inputs they require
- **sharing competitively sensitive information** such as non-publicly available pricing or strategic information including details of customers, suppliers (or the terms on which they do business), volumes, future capacity etc
- **breaching confidentiality obligations** that each attendee owes to third parties.

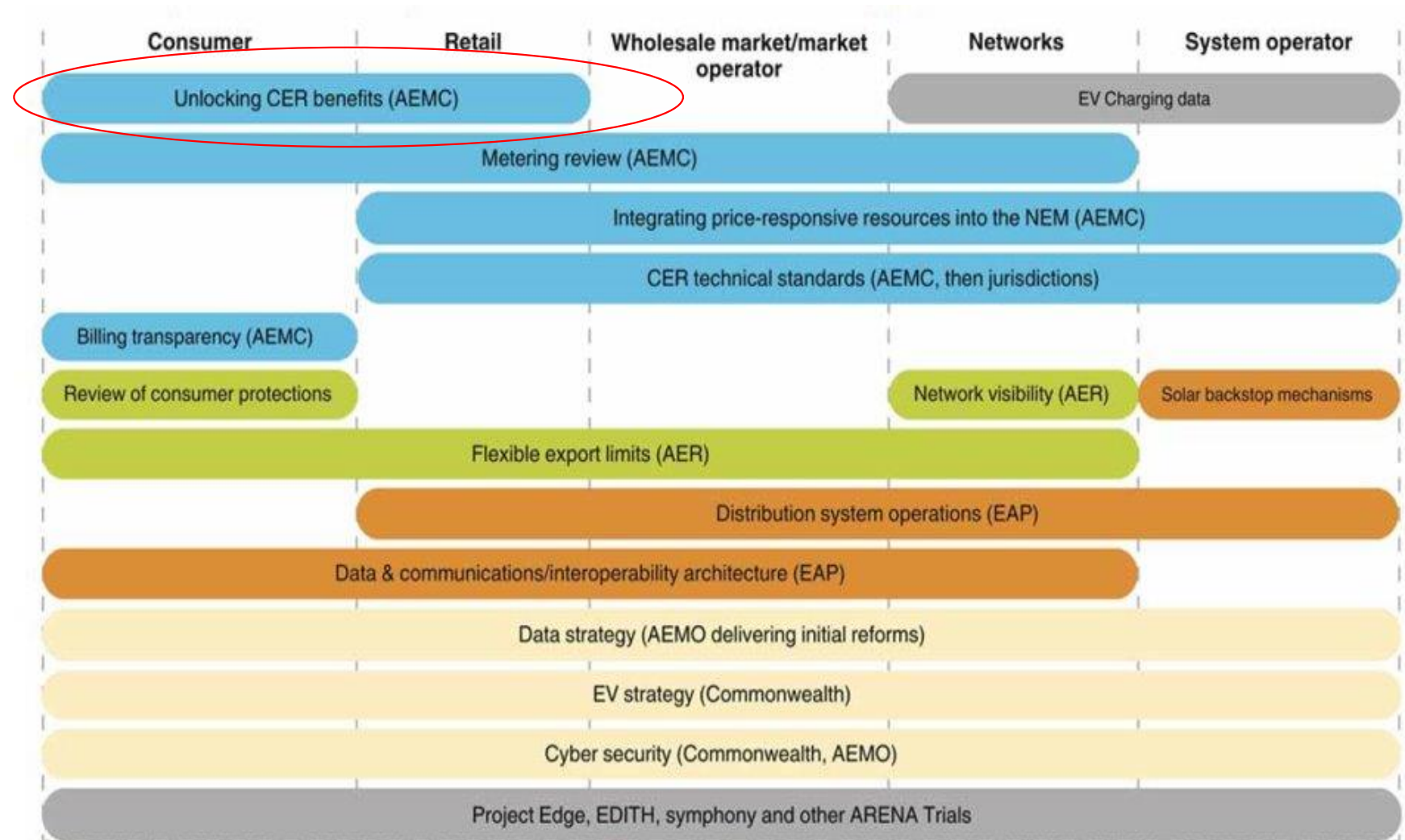
# Forum agenda

Item	Time (1.5hrs)	Presenter
1. Welcome, Acknowledgement of country, Context	10 mins	Charles Popple AEMC Commissioner
3. Overview of Directions Paper and submissions	10 mins	Lisa Shrimpton
4. Separately identifying and managing flexible CER Q&A	25 mins	Ilaria Barletta Michael Bradley to facilitate
5. Flexible trading with multiple energy service providers at large customer premises Q&A	25 mins	Genevieve Schulz Michael Bradley to facilitate
6. Energeia benefit and cost analysis Q&A	15 mins	Energeia Michael Bradley to facilitate
7. Wrap up and next steps	5 mins	Charles Popple AEMC Commissioner

# CER integration and current reform implementation plan

- Integrated consumer energy resources are a key part of the energy system.
- The regulatory framework should ensure that **consumers** and the **system** benefit.
- This rule change is part of a suite of CER reforms underway by market bodies and governments.

*There will be no successful energy transition without successfully integrating CER. With CER, we have an opportunity to achieve a more reliable, affordable and lower-emissions energy sector.*



Consumer challenge:  
What do consumers need to do and why would they would agree their CER can be used to support the system?

Supply chain challenge:  
What changes across the supply chain and system operation are needed to integrate CER (market processes, roles & responsibilities, information flows, financial arrangements, system operator tools and functions)?

# Unlocking CER - Directions Paper

The rule change is being considered across three core areas



Optimising the value of CER flexibility - Opportunities for separately identifying and managing flexible CER.

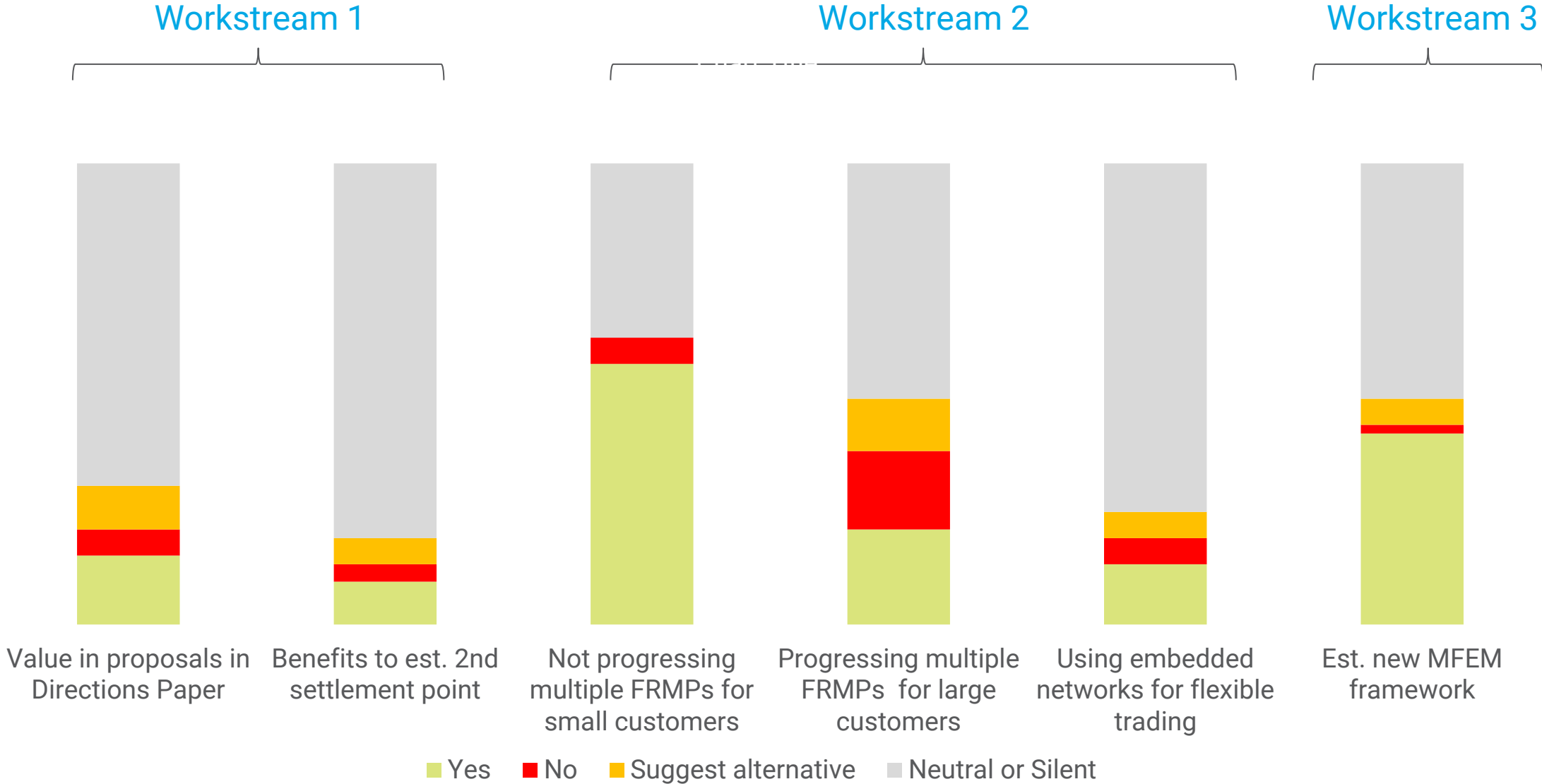


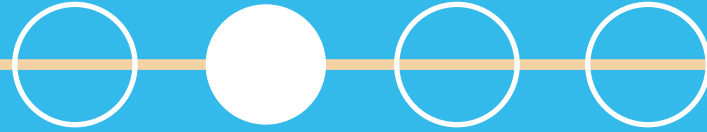
Flexible trading of CER with multiple energy service providers at large customer premises - that is commercial and industrial consumers.



Opportunities to improve how energy use is measured for street lighting and other street furniture (such as park BBQs).

# Stakeholder submissions to Directions Paper





# Workstream 1

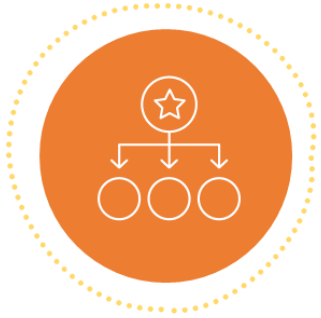




## Opportunities for separately identifying and managing flexible CER

- We recognise that there are different options available today for separately identifying and managing flexible CER.
- We will call these options ‘metering configurations’ to separately identify and manage CER.
- We are not proposing to mandate a given configuration, but we see value in considering a flexible metering arrangement available for CER.
- Flexible Metering Arrangements (FMA) will enable multiple FRMPs at large customer sites and potentially future CER arrangements such as EV’s.
- The costs and benefits of any proposed change are being looked at – this includes system and industry costs for any change.
- We welcome stakeholder input and will use it to work through technical issues via working groups where needed.

# Separately identifying and managing flexible CER - metering configurations



## OPTION 1 Configuration

FLEXIBLE METERING  
ARRANGEMENT FOR CER

1A: Existing smart meters with dual or multi-elements for CER  
(one physical connection)

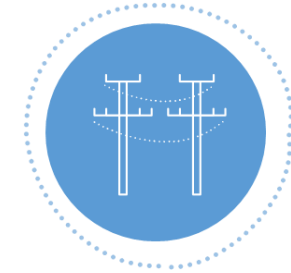
1B: Second settlement point/s behind the meter - has a flexible meter type for CER  
(nb. one physical connection)



## OPTION 2 Configuration (existing)

OFF-MARKET MEASUREMENT  
("BLACK BOX")

Kit used behind the meter -  
but approved by National  
Measurement Institute.



## OPTION 3 Configuration (existing)

SECOND CONNECTION POINT  
WITH SEPARATE METERING

Two physical connection points  
at a single premises (market  
connection) with separate  
metering.

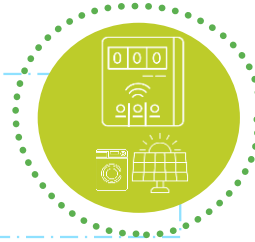
# Separating identifying and managing CER– Metering configurations value streams – small and large customers

	Metering configuration			
Value streams	Flexible metering arrangements	Smart meters with dual/multi -elements	Black box	Two physical connections
Ancillary services Contingency FCAS Potential new service markets	FMA suitable – noting MASS already in place	Not applicable	Yes if AEMO approves under MASS	Yes
Wholesale electricity market (e.g. through a mechanism for price-responsive resources to participate in the NEM, if proposed and agreed)	Yes - National Measurement Institute requirements would apply	AEMO consider this is not suitable	No- not NMI compliant	Yes
Network pricing and services	Likely – services uptake will depend on requirements from the network	Yes- although typically network devices	Pricing– no not NMI compliant  Services uptake – relies on the network to agree	Yes
Retailer pricing	Yes	Yes	No	Yes



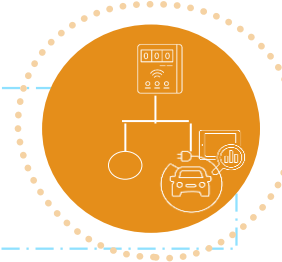
# Key considerations- Flexible metering arrangement – all customers

## Dual/Multi-element smart metering (metering configuration 1A - existing)

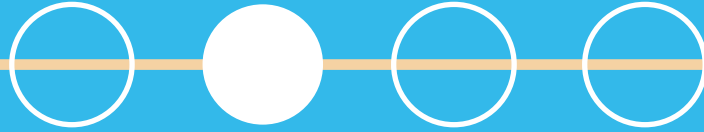


- **Deployment and use:**
  - Limitations if dual/multi-element is included as part of smart meter.
- **Visibility/identification:**
  - CER device is typically identified with a suffix to the National Metering Identifier (NMI) of the main connection point.
- **Wholesale market participation:**
  - Possible at the connection point for all loads/generation, but not for the separate CER.
- **Issue with market settlement:**
  - Systems issues with registers of data.  
Other options?

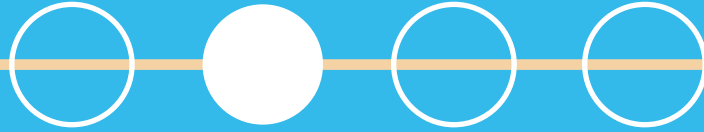
## Flexible metering arrangement (metering configuration 1B – proposed)



- **Allows for secondary settlement point:** 2 NMI connected to the primary physical connection point.
- **Creates a new meter type in the Rules if different spec's:**
  - Should existing minimum service specifications apply or have different ones?
  - Recognise that different technical provisions may apply for large vs small customers.
  - New types for EVs? (in-built metering technologies)
- **Arrangements leverage existing systems and procedures**
  - Should the secondary NMI be linked to the primary NMI (connection point) (ie settlement is subtractive).
  - However, DNSP systems might process NMI information differently than AEMO.
- **Roles and responsibilities for services for flexible metering**
  - Roles of MCs, MPs, and MDPs for new category (4P)
  - New certifications?



# Q & A

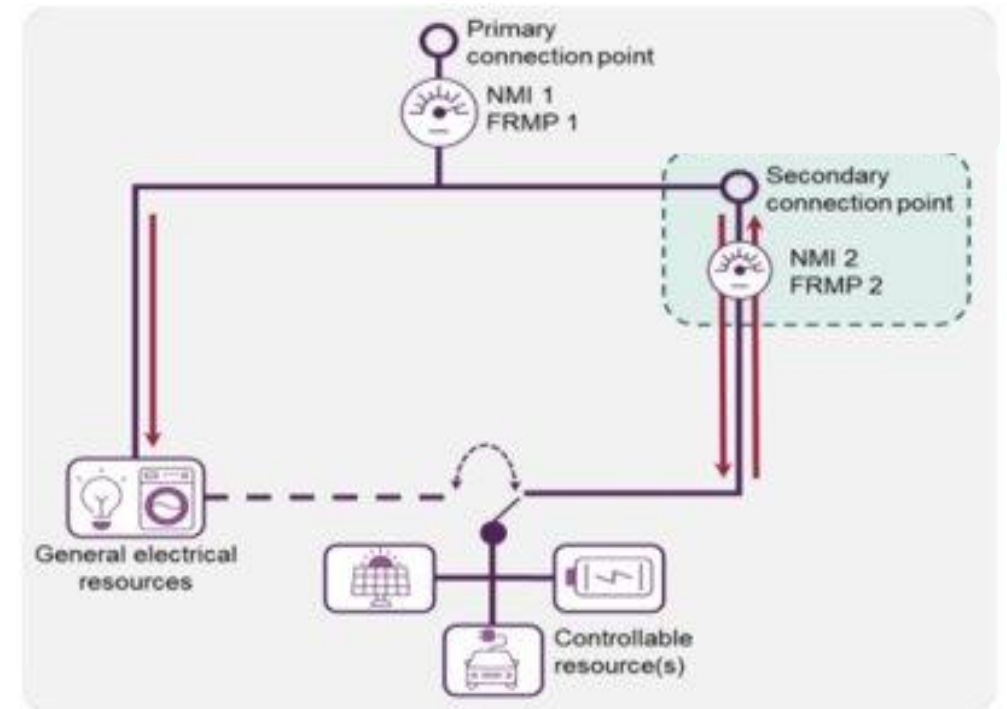


# Workstream 2

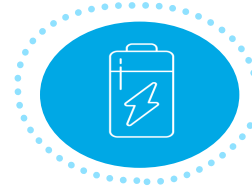
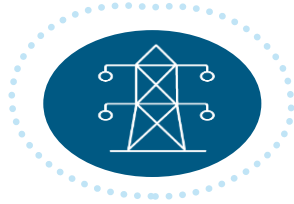


# Flexible trading with multiple service providers for large customers

- We are looking at using a flexible metering arrangement for the second settlement point.
- We are looking at leveraging elements of the embedded network model (particularly system setups).
- We need to address issues related to roles and responsibilities, market competition, and the technical pathway for allowing a second NMI.
- We are also looking at the costs and benefits of any proposed change.
- We welcome stakeholder input and will work on issues through working groups.



# Flexible trading with multiple service providers for large customers- Submission feedback



## Consumer groups

- Mixed or neutral views.
- Some noted benefits of discrete network tariffs leading to increased consumer choice.
- One stakeholder noted that existing mechanisms enabling multiple FRMPs are adequate.

## Networks

- Mixed views.
- Some noted the need to consider compliance with DOEs, visibility of the second point, safety related to disconnection and load switching, and technical requirements.
- Others pointed to potential negative impacts on DOEs and network pricing.

## Retailers and CER providers

- Mixed views.
- Some noted competition, consumer choice, and network reliability benefits.
- A few large retailers pointed to existing systems that enable multiple FRMPs and risks regarding load unpredictability, disconnections, and implementation costs.

## Industry bodies

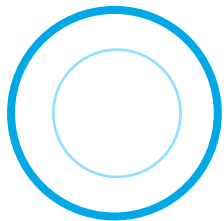
- Mixed views.
- Some noted the importance of minimising disputes between FRMPs.
- Some noted concerns regarding network and retailer costs, resolving network tariff allocation, and supported continued use of embedded network model.



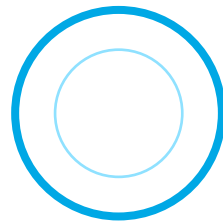


# Flexible trading with multiple service providers for large customers- Key considerations

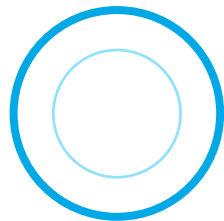
## Issues for discussion



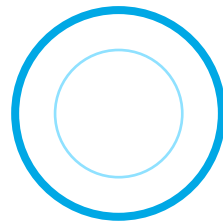
Information sharing between FRMPs



Technical requirements (FMA, load switching, managing disconnection)



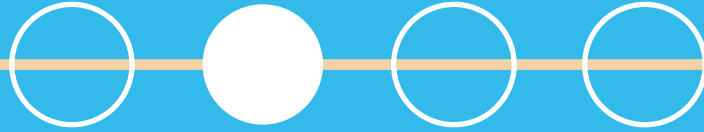
Network service charge and tariff allocation



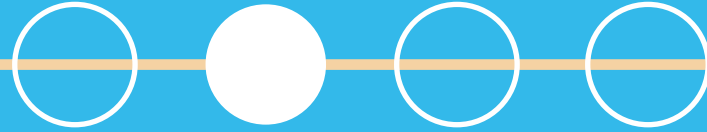
Impacts of competition (Load switching, hedging)

## Issues we are also investigating

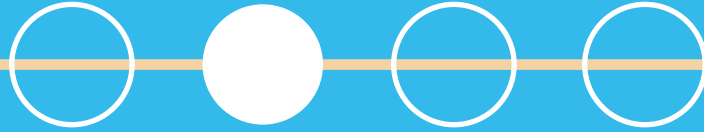
- DNSP data requirements and utilisation of CER (DOEs, network tariffs)
- Implementation and transition costs- market and system



# Q & A



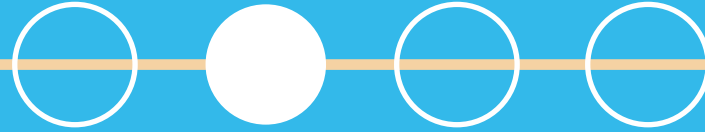
# Energeia Benefit Analysis



# Q & A

# Rule change – current timeline



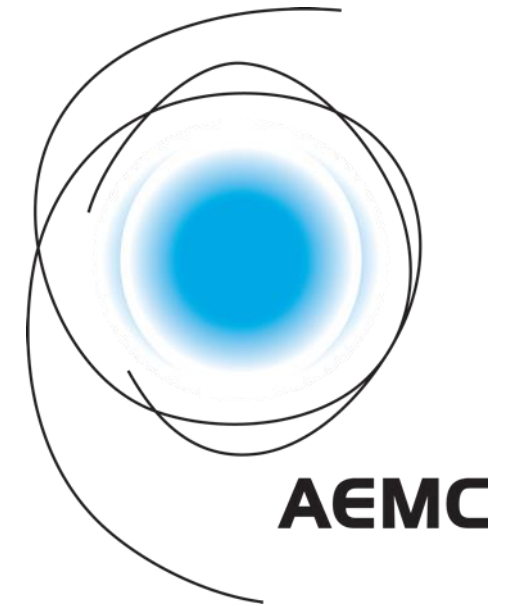


**Reminder**  
**Public Forum-Streetlighting**  
**Mon 23 Oct- 3-4pm**

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