11 April 2024

Anna Collyer
Chair
Australian Energy Market Commission
60 Castlereagh St
Sydney NSW, 2000

Upload via AEMC website*: [rule change no. ERC 0346]*

Dear Ms Collyer,

Re: Unlocking Consumer Energy Resources Benefits through Flexible Trading – Draft determination and draft rules

Evoenergy welcomes the opportunity to provide a submission to the Australian Energy Market Commission's (AEMC's) Draft determination and draft rules on unlocking consumer energy resources (CER) benefits through flexible trading.

Evoenergy owns and operates the electricity distribution network in the Australian Capital Territory (ACT) and gas distribution networks in the ACT and the Queanbeyan–Palerang Regional Council and Shoalhaven City Council local government areas of New South Wales.

Evoenergy supports the draft determination in recognising that CER is a clean, reliable and efficient source of energy that needs regulatory adjustment to be capable of being more fully utilised. Improved integration of CER in Evoenergy's low voltage electricity distribution network will be critical to achieving the ACT Governments net zero policy by 2045.

The draft determination provides opportunities to separately identify and manage flexible CER, and thus, optimise the value of CER to support networks. The ACT does not yet have a critical mass of smart devices, including smart meters to enable this, but is expected to in the future. Evoenergy supports the principles of the draft determination which will provide value for consumers along with the distribution network, as the roll out of advanced metering progresses with the AEMC accelerated metering rule change proposal.

Optimising the value of CER flexibility

The AEMC's draft determination proposes a secondary settlement point without the need for a second physical connection at small customers premises. This would be done via a parent-child arrangement as is common in embedded networks. This will be a voluntary opt-in arrangement for customers and will require the allocation of a secondary NMI to CER or another flexible load. We agree with the proposal that a Type 4 meter should be installed at the secondary connection point, or where the device has in-built capabilities, with the establishment of a new meter type (Type 8). Our responses to the stakeholder questions relating to meters and public lighting can be found in Appendix A.

We agree with the AEMC's position not to support multiple financially responsible market participants (FRMPs) being able to offer services at the same residential (or small customer) premises.

Cost benefit analysis and implementation considerations

The proposed changes to NER clause 7.8.2(d)(1) will make DNSPs responsible for establishing the NMI site data for a premises secondary connection point. In addition to system and process changes incorporating the new meter types, these changes represent a material step change in DNSP costs. Whilst some DNSPs are further advanced at upgrading their systems, most jurisdictions are still building capability to process smart meter data, and then increase capacity ahead of the accelerated smart meter roll out (AEMC, ERC03781). The requirement to establish secondary settlement points greatly increases the amount of data needing to be accommodated.

Additionally, Evoenergy's current billing system does not factor another settlement point within the hierarchy of a particular metering point. Evoenergy (and likely other DNSPs) will need to invest in further upgrades to its billing system to develop data rules and linkages to this settlement point. Furthermore, with advanced technologies and investment in Dynamic Operating Envelopes (DOEs), DNSPs are unlikely to have any oversight over the devices and technologies connected to the secondary settlement point as these would be typically 'behind the meter' and beyond the boundary of the distribution network, potentially leading to unmitigated compliance and remediation issues. These considerations further show the need for a careful approach to the implementation of this proposal and the need for an assessment on the likely costs borne by the DNSP which in turn get passed onto consumers.

Evoenergy also supports the view put forward in the submission from Energy Networks Australia (ENA) that the potential benefits of any proposed model need to outweigh the costs. The Energia cost benefit analysis does not adequately consider the cost impact required to implement the draft determination, as demonstrated above, and that some recalibration is required before making the final determination.

Disconnections and life support

We strongly suggest that explicit wording be added to state that life support must be registered against the primary NMI where life support is present at the connection point (including a secondary NMI). The original rule change request by AEMO refers to;

> *"...resources connected to a private metering arrangement (PMA)[2] should be controllable, whereas electrical wiring and equipment that is required on-demand, such as **life support equipment**, should not be connected via a PMA."*

Recognising the importance of life support protections on NMIs, the final rule needs to explicitly state that life support should be registered against the primary NMI, (or both NMIs if there is a complex arrangement). This will remove concerns regarding the rule requirements for de-

[1] https://www.aemc.gov.au/rule-changes/accelerating-smart-meter-deployment, 4 April 2024
[2] PMA equates to secondary metering point/ second NMI in the rule change request

energisation/disconnections where if the primary NMI is de-energised, the secondary NMI will also lose supply.

Opportunities for flexible trading of CER with multiple energy providers at commercial premises

Evoenergy understands that it is becoming common for multiple energy providers to service different large customers at the same commercial premises on other networks. This approach is not common in the ACT, but Evoenergy supports this part of the draft rule for large customers, as it is likely to enable greater competition and customer benefits.

Networks support improvements to unmetered loads

Evoenergy agrees with the ENA submission and is open to improvements to unmetered loads for street furniture and, in principle, we support the idea of minor energy flow metering as a solution to more cost-effective, accurate metering. Public charging for electric vehicles has driven significant investment by Evoenergy to date and the use of devices with inbuilt metrology could deliver future benefits given the high uptake of electric vehicles in the ACT.

Should you wish to further discuss matters raised in this submission, please contact Clare McIntosh, at clare.mcintosh@actewagl.com.au.

Yours sincerely

Peter Billing
General Manager - Evoenergy

Appendix A

Evoenergy responses to consultation questions

Question 1: What should the flow limit be for type 8 meters (when considered per year)? Is 750 MWh per annum per connection point appropriate?

- Per annum loads change too often, making this administratively difficult to comply. The Rules should define clearly where to use a Type 8 or Type 9 i.e;
    - 'Type 8 - Optional Only as a secondary (child) metering point (with its lower standards), and where the device connected does not exceed load/generation of 50MW' (or some other value, similar to how the Rules specify scheduled or non-scheduled generators). If greater, mandatory Type 1 - 4.
    - 'Type 9 - 'Used for Streetlights, street furniture, Public EV chargers or other devices approved by AEMO. Optional Only as a secondary (child) metering point (with its lower standards), where the device connected is an EV Charger and does not exceed load/generation of 50MW' (or some other value).

Question 2: What role, if any, should Meter Providers have in installing and managing type 8 and type 9 meters?

- Where the device has patent approval under National Measurement Institute document NMI M 6, M13, R46, the MP need only commission that device either themselves or through a third party. This provides assurance of metering data and connectivity. It is the failure of the communications that will create unwanted metering data estimations of the secondary settlement point. This would be even a bigger problem if the primary settlement points communications fail, resulting in estimations where the secondary point consumption exceeds the primary.

Question 3: How frequently should AEMO update its specifications and procedures for type 8 and type 9 meters? Should this review be mandated?

- We do not think the rules should mandate timeframes to update the specifications or procedures, as these will change far quicker than Industry/ AEMO consultation timeframes. The new procedures for type 8 and 9 should be technology neutral and set up similarly to existing type 7, where new approved streetlight manufacturers or lamp loads are regularly release after any new approvals, which could be weekly.

Question 4: Are there instances in which aggregating multiple streetlights under a single NMI via a central management system may create issues for settlement?

- Where it is determined for example, that each actual streetlight has its own measurement device, and there are 20 lights in that circuit, connected to one connection point, then allocating 1 NMI to those 20 Type 9 meters is no different to a normal premise/NMI that has multiple meters. Same AEMO National Metering Identifier procedures would apply i.e. cannot exceed 33 meters. Same settlement rules as today.

Question 5: Are there other use cases for type 8 or type 9 meters which stakeholders foresee in future?

- A Type 8 should not be used for a Primary connection point. Type 9 should only be for Streetlights, street furniture, Public EV chargers or other devices approved by AEMO with a

Patent Approved measurement device (security lighting, Telecommunication (like NBN) Nodes, public WiFi, parking voucher machines etc).

Question 6: Are there jurisdictional requirements for DNSPs to serve as MCs for streetlights and street furniture which we should be aware of in preparing the final determination?

No comment on this question/ NA