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Submission on Accelerating Smart Meter Deployment – Draft Rule Determination

Executive summary

1. Bluecurrent (formerly Vector Metering) welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC) draft rule determination and draft rules on *Accelerating Smart Meter Deployment* (the "Draft Determination" and "Draft Rules", respectively), dated 4 April 2024.

2. In response to the AEMC's proposals in the Draft Determination and Draft Rules, Bluecurrent supports the intent of this reform and the AEMC's stated objectives to accelerate the deployment of smart meters across the National Electricity Market (NEM), improve access to Power Quality Data (PQD) for Distribution Network Service Providers (DNSPs), introduce new customer safeguards, enhance the customer experience, and reduce barriers to the installation of smart meters.

3. Since the AEMC's review began some years ago, the market has evolved and access to PQD by many DNSPs has been achieved on commercially negotiated terms. The cost and value of PQD to the DNSP is now better understood and DNSPs have been successful in gaining cost recovery from the Australian Energy Regulator (AER). This reflects that DNSPs value this service and are prepared to pay for it.

4. In this submission, Bluecurrent:

    a. Comments on the **shift in approach to cost recovery for the basic PQD service** away from the DNSPs to retailers. This is in an environment where Metering Providers have already invested and many DNSPs are already paying for this service. It is highly unlikely that Metering Providers will effectively be able to recover this cost from retailers due to the fact that it will require counterparties to agree to pay for a service for which they will not receive a benefit.

    b. Clarifies the definition of PQD within the *National Electricity Rules* (the Rules) by introducing a **new term, "Basic Power Quality Data Service,"** into the Rules. This term reflects the intent of the basic PQD service envisioned during the AEMC's Metering Services Review. It will provide certainty to Metering Providers and DNSPs about the service requirements that Metering Providers will be obligated to meet.

    c. Recommends a **regulatory-lite approach to the basic PQD service** that recognises the nature of PQD and places the obligation for this service on the Metering Coordinator role rather than the Metering Data Provider role. This change will not affect the party providing the service but will allow for a faster enablement of the service and avoid unnecessary impacts on the existing Metering Data Provider framework.

    d. Clarifies **access rights for PQD** and provides comments on the effective date of the basic PQD service. We highlight the need for a short transitional period to enable the service for all meters which will generate large volumes of data. We anticipate that participants may encounter issues dealing with this volume of data during the transition, and any performance and service level requirements should take this into account.

e. Highlights that the processes required to support the **new shared fusing meter replacement procedure** require reasonably lengthy IEC B2B process development and industry consultation. This process will not be complete until November 2024, leaving only a few weeks before the proposed effective date (25 January 2025) of the Draft Rules. We recommend moving this date to June 2025 to give the industry more time to implement the changes. This revised date aligns with other market changes required to support the commencement of the accelerated rollout.

f. Suggests a more complete, simpler, and more cost-effective **process to support the management of defects**. We also recommend that the nature of the defect be made available in MSATS (Market Settlement and Transfer Solutions) to streamline the conveyance of this information to affected parties. This would require an enhancement of the National Metering Identifier (NMI) standing data definition in the Rules.

g. Notes that the new obligations placed on retailers to provide **enhanced information to customers** present a potential barrier to meter installations, especially when the customer has agreed to vary the installation date. These barriers can be avoided with minor changes to the proposed requirements.

h. Points out that limits on Metering Providers' **access to NMI standing data** is impacting customers and presenting barriers to Metering Providers in resolving metering issues and meeting their obligations.

5. We have also made several drafting recommendations to address minor errors and provide greater clarity.

PQD cost recovery path

6. The provision of PQD has associated costs[1] and we are concerned as to how Metering Providers will recover these. The cost recovery path for the basic PQD service has changed, shifting from DNSPs to retailers, and the rationale for this change is unclear. Bluecurrent supports the prior proposal that Metering Providers continue to establish commercial arrangements directly with DNSPs to provide the basic PQD service and that this basic service be clearly defined in the Rules (noting our suggested definition at paragraph 19 of this submission).

7. Most Metering Providers are already providing a PQD service to several of the DNSPs. This service is being provided on commercial terms, successfully negotiated between the parties, and will be in place until Metering Providers are required under this proposed reform to provide the basic PQD service free of direct cost to DNSPs. We strongly believe that the current construct is working effectively and allows for Metering Providers to recover their costs associated with providing this service from the party that benefits from the receipt of this service.

8. We understand that DNSPs that are currently accessing a PQD service from Metering Providers applied to the AER for an operational expenditure uplift to pay for the provision of data, which we believe was approved. This clearly demonstrates that despite the arguments against it, commercial arrangements on reasonable terms between service providers and DNSPs are achievable, as is cost recovery for DNSPs. This further calls into question the need to establish a framework that assumes cost recovery for a service provided to one party (DNSPs) which is recovered via another party (retailers).

9. Our concerns about recovering basic PQD service costs from retailers, instead of directly from the DNSPs include:

[1] Note: Bluecurrent has previously provided costs to the AEMC in this regard.

a. It is good commercial and economic practice to put in place direct agreements between the beneficiary of a service and the provider of that service. This provides clear incentives and accountabilities to ensure that the service meets agreed requirements, and in the event that problems arise, appropriate dispute resolution and assurance mechanisms can be put in place between the parties to resolve these problems.

b. Recovery of cost from retailers is challenging. While contracts with retailers typically contain 'change-of-law' provisions, these generally require mutual consent before costs can be passed through, and retailers are unlikely to want to pay increased charges for a service they do not receive. Recent market reforms such as 5-minute settlement resulted in material cost increases for Metering Providers which have been very difficult to pass onto retailers as they faced their own increase in compliance costs in a highly competitive metering services market.

c. This creates a perceived increase in risk that may affect future investment.

d. Recipients (DNSPs) of a service that is poorly defined and that recipients do not pay for creates a perverse incentive to expand the scope of the free service, or to invest in negative value use cases.

10. We believe that there is a very high probability that Metering Providers will be unable to recover their reasonable costs of providing the basic PQD service and will remain unfunded, yet it is proposed that they will be subject to civil penalties. This is inequitable.

11. By the end of 2024, we expect to be providing PQD from more than half of our meter fleet to the majority of DNSPs in the NEM (excluding Victoria and Tasmania), with the capability in place to provide data from all Bluecurrent meters to all distribution networks.

12. This data is being provided using methods, formats, and at prices agreed via bilateral commercial negotiations between Bluecurrent and DNSPs.

Using the AEMO infrastructure for PQD delivery

13. We also note that the Draft Determination instructs:

> AEMO to lead work to implement the 'basic' PQD service and determine the exchange framework and service levels for 'basic' PQD. Implementation would involve updates to AEMO's processes and procedures, which would be conducted in consultation with stakeholders. We consider that AEMO should leverage the existing framework to align the delivery, operation, and conformance management of 'basic' PQD to that of the existing metering data delivery service. To achieve this, AEMO should consider the findings and principles from the Review.

14. It is unclear from our discussions with the Australian Energy Market Operator (AEMO) if this includes AEMO building systems and processes to support the transacting of PQD across AEMO-provided infrastructure, or if this is limited to procedural work only. We do note that AEMO has earmarked PQD as a key driver for its foundational and strategic initiatives program that will be building new technical platforms for market transactions.

15. AEMO-provided infrastructure such as the B2B e-hub provides a default method for exchanging data between participants. In this circumstance, where many of the participants have already established methods of transacting, it seems that AEMO building new technology solutions to support a PQD service is unnecessary and will add costs to consumers, paid for by retailers through their market fees, without any commensurate incremental benefits. It will also create a dependency that we expect will delay the go-live of the service for all smart meters. We support standardisation of information flows but question the need to change the methods that businesses are already agreeing to use. We believe many parties will prefer to continue to use these already established methods over changing to a new process that provides the same outcome.

16. We recommend that the scope of the work AEMO performs be limited to assisting in the development of a technical PQD guideline that can be used by participants to standardise the exchange of this information but leave the methods of exchange to market participants.

Clear definition of the basic PQD service

17. Irrespective of the funding party, to provide certainty for Metering Providers and clarity for DNSPs, it is critical that the Rules clearly define the basic PQD service as recommended in the Metering Services Review. This is necessary so that Metering Providers clearly understand the service they are to be obligated to provide, and DNSPs the service they will receive.

18. The current definition of PQD in the Draft Rules does not adequately reflect the basic service developed during the Metering Services Review. As currently drafted (see below), any aspect of the power supply measured by the meter will be captured by this definition. This would include measurements related to harmonics, flicker, sag, swell, interruption, imbalance, transients, and waveform distortion. Provision of this wide array of information was agreed upon under the Metering Services Review to meet the requirements of an '*advanced service*'.

> ***power quality data***
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> The characteristics of the power supply as measured by the *meter*, which includes measurements of voltage (in volts), current (in amperes), and power factor (expressed as the ratio of the active power kW to the apparent power kVA or as a phase angle).

19. We recognise that the current drafting may be attempting to create a general term for PQD that would apply equally to both basic and advanced services. This could be useful for clauses that generally apply to all types of PQD, such as security, authority, and access. We recommend the addition of a new term that clearly specifies the nature of the basic PQD service to expressly define the characteristics for the basic service that were agreed upon during the Metering Services Review. We provide the following drafting suggestion to remove the ambiguity that exists in the current definition in the Draft Rules:

> ***Basic Power Quality Data Service***
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> *Power quality data* that measures instantaneous values of voltage, current and phase angle, aligned to the start of a *trading interval* and delivered to a party authorised under the Rules, no more frequently than once per day.

20. We also recommend that this new definition be used in clause 7.15.5(c2) of the Rules to specifically reference basic PQD service. This drafting will provide clarity on who the basic PQD service is intended for. We propose this revised drafting of clause 7.15.5(c2):

> (c2) Only the *Local Network Service Provider* in respect of a *small customer metering installation* and AEMO may receive a *basic power quality data service* from a *metering installation*.

21. Any changes to the PQD service will increase the cost of providing this service which ultimately will need to be recovered from consumers via the cost of other services (potentially distorting the uptake of these services), or through a lower level of investment by Metering Providers if the perceived risk of further regulatory intervention increases. It follows that the AEMC has a part to play to ensure that these additional costs are outweighed by the expected benefits, such that it represents value for money for consumers. Therefore, we recommend that the definition of the basic PQD Service be included in the Rules.

22. Alternatively, if the AEMC believes there is merit in the Rules remaining high-level, with the basic PQD service being defined within AEMO procedures, then we recommend that the Rules provide clear direction that restrict AEMO's discretion to alter the key characteristics of the basic PQD service. This direction should specify that a basic PQD data service can only include:

    a. the instantaneous units of measure, i.e. voltage, current, and phase angle aligned with the start of the *trading interval*;

    b. that the frequency of measurement will be 5 minutes; and

    c. delivery of this data no more frequently than once per day.

23. These protections are required, as diverging from this definition will:

    a. have a material impact on the cost to provide the service. Any changes to these key elements of the basic service will undermine the validity of the indicative costs provided to the AEMC during the Metering Services Review, which were used to determine that DNSPs should not need to pay for the basic service; and

    b. potentially undermine any advanced service that a Metering Provider may have already developed and be providing to a DNSP. It is important to provide incentives for Metering Providers to innovate in the services provided to DNSPs over time, and so including this within the 'basic' service provides no incentive for competitive Metering Providers to explore opportunities to improve services for the benefit of consumers.

24. Without this clear direction in the Rules, we are not confident that AEMO's consultation process can protect the intent of the basic PQD service, which is to require "metering service providers to collect, process, and deliver a basic level of PQD to the LNSP in a standard and efficient way".

25. Another barrier to enabling PQD services is the existence of Rules that require any provision of services developed by a Metering Provider to be subject to the terms and conditions of the metering party's appointment.

26. Clauses 7.6.1(b) and 7.4.3(b) of the Rules allow retailers to control and influence the provision of an advanced service through commercial agreements with a Metering Provider. We have observed this restriction being put in place under the current framework. The Rules facilitate a situation where retailers can develop their own products using PQD (or a variation thereof) and offer these to other parties, such as DNSPs, while restricting a Metering Provider from offering a similar product at a potentially lower price.

27. We believe that this stifles innovation and competition in the provision of advanced data services, and so is not in the interest of consumers. We recommend that the relevant clauses be reviewed and that PQD services be exempt from any restrictions in the terms of the Metering Provider's appointment.

Access parties

28. The Draft Determination limits the provision of PQD to DNSPs and AEMO only (clause 7.15.5(c2) of the Rules).

29. It is unclear whether Metering Providers will be requested by AEMO to provide a copy of the data or not, but if this is to be the case, then delivering data to AEMO is unexpected and was not provisioned for in the cost estimates for the basic PQD service provided to the AEMC during the Metering Services Review. We understand from recent meetings with AEMO that the rationale for being an access party is to be able to govern this service and determine compliance with the obligations to provide data to the DNSP. We believe this can be achieved in a far more cost-effective manner by requiring Metering Providers to report on their performance in their regular audits.

30. If the reason for AEMO being an access party is to request a copy of the data to determine compliance, then using the receipt of PQD or more importantly, the lack of, will not necessarily indicate a non-compliance of data provision. During the development of the basic PQD service under the Metering Services Review, it was agreed that Metering Providers will only provide PQD for meters where they have communications. No PQD would be provided during periods of lost communication. Once communication is re-established, then PQD would commence flowing from that point forward.

31. Meters temporarily lose communications for many legitimate reasons. Network outages, telecommunications cell network outages, weather events and natural disasters, customers' REC removing a fuse to perform maintenance, even the customer turning the meter off – are all common occurrences. These events result in a temporary loss of communication. The communication outages can range from a few hours to many weeks, during which PQD will not be able to be collected or in the event supply is disconnected, will not exist. There is also a small but significant volume of meters where communication is intermittent. This subset of meters' PQD delivery will also be intermittent. The presence of communication – a key factor in determining compliance – is only visible to the Metering Provider. If the intent is for AEMO to receive a copy of the data to determine compliance, then this cannot be used without an understanding of communication outages. We suggest that Metering Provider compliance with obligations be determined through defined reporting and auditing mechanisms.

32. If AEMO were to remain an access party, then the Rules should be strengthened to ensure that AEMO can only use this data for the reason it was provided, i.e. determining compliance, but we reiterate that using the data (or non-data) is an extremely inefficient way of achieving this.

Party accountable to provide PQD

33. We do not agree with the proposal that the governance of PQD should be achieved by extending the current service provider accreditation framework that is applied to the Metering Provider and Metering Data Provider roles. This approach introduces what could be characterised as a 'regulation heavy' approach for the basic PQD service which is disproportionate and will result in higher compliance costs. The accreditation framework which places rigorous but necessary requirements on Metering Providers was designed for *metering data* and is not appropriate for the basic PQD service.

34. Metering Providers and Metering Data Providers are accredited by AEMO to ensure the integrity of *metering data* and reflect the role it plays in the financial transactions that underpin the market, i.e. wholesale settlement, and retailer and network billing. Accredited Metering Providers are under a strict compliance regime to ensure that: 1) there is high availability of meter data for each interval, 2) quality is assured, and 3) where data cannot be collected, an appropriate substitute is provided. This is to support settlement processes that require data to apply a price.

35. PQD on the other hand is engineering data that is not used in financial settlements. Benefits that PQD are expected to enable do not need the same levels of completeness and accuracy to be of high value. Placing PQD under the same governance framework as *metering data* was not contemplated or discussed during the Metering Services Review, and in our view is not appropriate because:

    a. **Data delivery requirements in place for accredited Metering Providers are not necessary to realise the benefits from PQD.** As identified in the Metering Services Review, most of the benefits enabled by the provision of PQD can be realised from accessing data from as low as 50% of the meters. This is because DNSPs will use PQD along with other telemetry and engineering data from their network to perform large scale trend analysis to identify problems and resolve network issues and constraints. Missing or poor-quality data from a subset of meters will not invalidate the analysis. Even meter level benefits such as neutral integrity failure prediction and detection do not require all-of-the-data-all-the-time. We anticipate that DNSPs will receive full or partial data from greater than 90% of meters on any day. This far exceeds the level of data required for distribution networks to unlock the benefits.

b. **Treating PQD in the same manner as *metering data* and placing it under the accredited service provider framework is unnecessary and will drive up costs.** The approach to *metering data* requires the Metering Data Provider to ensure quality by validating each value collected from the meter. It is the accredited service provider framework that lays out how *metering data* is to be processed. During the Metering Services Review, a different approach for PQD was agreed. Instead of data quality and completeness, the focus would be on providing 'raw' measurements from the meter, in a standardised format, as timely as possible. It was recognised that requiring validation to ensure quality would drive up processing costs, delay delivery, and add little value when the use cases for this data are considered. Any quality imperfections in the data become noise when aggregated with other data. If validation was attempted, then problems arise if a data point failed this validation. For *metering data*, there are accepted approaches under the metrology procedures that manage these situations, but these are not applicable to PQD. Placing PQD under the same framework as *metering data* introduces requirements and functions that were agreed not to be necessary for PQD, such as establishing a re-request/resend service. Unless the framework was modified to specifically exclude PQD, then Metering Providers would need to support these functions for PQD that have already been considered and discarded.

c. **Including PQD in accredited Metering Data Provider obligations creates problems where non-compliance regarding PQD occurs.** This could trigger the loss of accreditation for the Metering Data Provider even though *metering data* obligations for settlement are being met.

d. **Establishing obligations for PQD outside the formal accredited service provider role can be delivered faster (and cheaper) than changing the existing regulations and accreditation procedures.** If PQD obligations are to be placed on the accredited Metering Data Provider, then numerous Rules and AEMO procedures (metrology procedures A & B, service level procedures, accreditation check lists, etc) will need to be updated which will require formal consultation. Taking an alternative approach where PQD obligations are established outside the accredited service provider framework will avoid these changes, therefore making implementation easier. Establishing a lightweight framework for PQD is appropriate, can be established more quickly, and carries less risk of creating unintended outcomes relating to *metering data* obligations.

36. To avoid introducing unnecessary time and cost for the industry and Metering Providers, we recommend that the obligations to provide this data be placed on the Metering Coordinator.[2]

37. In addition to our previous recommendation to better define the basic PQD service, we believe that with AEMO's assistance, a simplified framework can be established to formally document the technical formats to standardise the data exchange via the creation of a PQD guideline. Regardless of the direction the AEMC decides to take, these details will need to be documented.

38. In addition to capturing the technical requirements in a PQD-specific guideline, we expect this document would also include any performance requirements that the Metering Provider or Metering Coordinator would be required to meet. We note that the Draft Determination recommends that these performance requirements, once determined, should be subject to civil penalties. This places significant importance on ensuring that the performance requirements are not unreasonable, and so are justified based on the technical capabilities and the associated benefits and costs.

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[2] In Bluecurrent's response to the Metering Services Review Draft Report, we recommended that this obligation be placed on the AEMO accredited Metering Provider role rather than the market registered Metering Coordinator role. This was taken by the AEMC to be an endorsement for the change of responsibility to the AEMO accredited Metering Data Provider role and reflected in the Metering Services Review Final Report. Our recommendation was made in the context that cost recovery was directly with the DNSPs on commercial terms. Placing obligations on the Metering Provider instead of the Metering Coordinator would avoid issues where a change in Metering Coordinator roles would result in changes in price for the same service, and would also avoid the situation where a Metering Coordinator that was not aligned with the Metering Provider (the party that is actually providing the service) introduces additional charges above the marginal cost to provide the service without any added value. Since the Draft Determination has suggested that the basic PQD service will be provided free of direct charge to the DNSP, these issues are now moot.

39. During the development of the basic PQD service, it was acknowledged that Metering Providers and DNSPs lack real-life experience in delivering PQD in large volumes. We expect that scale issues will be encountered as the penetration of smart meters increases and larger volumes of PQD are collected, packaged, and delivered. We believe this should be recognised by the Rules and that Metering Providers are at least on a 'reasonable endeavours' obligation to meet the performance requirements and/or there is a moratorium on meeting the performance requirements for a period of two years after the service becomes mandatory.

40. To ensure that the scope of the basic PQD service remains consistent with an obligation to provide a basic service at no cost to DNSPs, we recommend that the Rules clearly reflect that validation and substitution, data retention, and re-requesting mechanisms are not required, rather than leaving it up to AEMO to decide as indicated in the current draft. This will be especially necessary if the AEMC decides that the PQD obligation is to remain with the Metering Data Provider under its existing accredited obligations.

41. We also recommend a drafting improvement to the proposed clause 7.3.1(a1) as shown below:

> (a1) A Metering Coordinator is not required to comply with the obligations relating to power quality data under paragraph (a)(2) in relation to metering installations that are not ~~technically~~ capable of supporting the collection and remote communication of power quality data.

42. The current wording gives rise to a debate on whether a metering installation is technically capable or not. It could be argued that meters that have been turned off by a customer, or who have had the modem turned off under a customer refusal, or affected by a telco outage or poor communication signal are still 'technically' capable of providing data.

43. We recommend removing the word 'technically' from this clause to resolve this issue and reflect the intent of the service developed under the Metering Services Review.

Effective date for PQD

44. The Draft Determination proposes a go-live date for provision of the basic PQD service from late June 2025. We are of the opinion that this could be achievable if:

    a. The Rules clearly define the basic PQD service as recommended above. This would deliver certainty immediately rather than leaving it until an AEMO procedures consultation is finalised.

    b. Obligations are placed on the Metering Coordinator rather than the accredited Metering Data Provider. This would reduce the regulatory burden by removing the need to include PQD in Metering Data Provider accreditation requirements, Metering Data Provider service level procedures, and metrology procedures – which would all need to be consulted on. This would also remove the need for Metering Data Providers to gain accreditation before the PQD go-live date.

    c. There is no departure from the requirements of the basic PQD service determined and costed during the Metering Services Review, e.g. no validation or substitution, no data retention requirements, and no re-request ability.

    d. Metering Providers are not required to send a copy of the data to AEMO.

    e. Technical formats and performance requirements are documented in an AEMO guideline and this information is available by the end of January 2025. Developing this specification is required regardless of the approach adopted.

    f. There is no requirement to transact over AEMO infrastructure. Participants can agree to deliver point-to-point (allowable under clause 7.17.1(f) of the Rules). This removes the dependency on AEMO being ready to support high volumes of PQD traversing their systems.

45. If the AEMC determines that the PQD is to be incorporated into the accredited Metering Provider framework, then more time will be required to have this service established in the Rules and AEMO procedures. If there is a requirement for AEMO to build infrastructure or enhance existing infrastructure such as the B2B e-hub to accommodate the exchange of this data, then further time and cost will be incurred. Importantly and in the meantime, DNSPs will be continuing to receive PQD under current data sharing arrangements. This highlights the illogicality of developing new data sharing systems when existing systems can meet the intended need.

46. Even if all items listed in paragraph 44 are met, recognising that not all Metering Providers can provide basic PQD services from all meters by June 2025, we recommend that the Rules provide a transition period over which this requirement is to be achieved. We consider a transition period of approximately two months would be appropriate.

Shared Fusing Meter Replacement Procedure – effective date

47. The Draft Determination proposes that the *Shared Fusing Meter Replacement Procedure* take effect on 22 January 2025. We believe this date is unrealistic because implementing this procedure requires new industry-wide business processes supported by several changes to B2B procedures. According to the current schedule, the IEC B2B consultation will not be able to finalise the procedures until late November 2024. After this, all retailers, DNSPs and Metering Providers will need time to finalise process changes, build systems, and complete industry testing.

48. If the proposed date is not postponed, businesses will need to implement manual workarounds to remain compliant with the Rules. The shared fusing meter replacement process is complex and involves numerous parties, making it difficult to establish through manual workarounds, introducing additional costs and risks for no net benefit.

49. We recommend that the effective date for the *Shared Fuse Meter Replacement Procedure* be delayed until 25 June 2025 to align with the changes required for the accelerated smart meter deployment.

Shared Fusing Meter Replacement Procedure – drafting issues

50. The proposed drafting for the *Shared Fusing Meter Replacement Procedure* may need improvement to close several gaps and ensure completeness. These include:

    a. adding an obligation on the retailer to provide the original Metering Coordinator's details to the DNSP when requesting a shared fuse interruption;

    b. addressing the current drafting, which is silent on the DNSP providing the scheduled interruption date to the retailer unless it is part of a legacy meter replacement; and

    c. addressing concerns where retailers are not obligated to 'make arrangements' for a meter to be exchanged in cases of malfunction or LMRP meter exchanges.

51. We also recommend changing the proposed timeframe for a retailer to respond after receiving a *Shared Fusing Meter Replacement Notice* from 10 business days to five business days to remain consistent with other obligations, such as the period retailers have to request a DNSP to commence a shared fuse interruption process (clause 7.8.10D of the Rules).

52. We have included our suggested drafting in the **Appendix**.

53. We note that the proposed drafting suggests a shorter period for a non-legacy shared fuse replacement process compared to one that involves a legacy meter shared fuse replacement. To reduce the complexity for participants (especially for DNSPs) and to simplify the drafting, we suggest that these processes be aligned. We have not proposed this in our drafting in the Appendix.

54. We also believe there is a possible conflict between the proposed time periods specified in the *Shared Fusing Meter Replacement Procedure* and the current requirements under clause 91A of the *National Energy Retail Rules* (NERR), which defines the obligations related to a *distributor planned interruption.* NERR clause 91A(d)(ii) requires the DNSP to perform an interruption no later than 25 business days. It is unclear if this rule is impacted by the proposed *Shared Fusing Meter Replacement Procedure*, but we recommend that the AEMC review this possible conflict and make any appropriate revisions.

Site defect notification and tracking process

55. Under an accelerated rollout, we expect the rate of customer-side defects we experience today to increase due to it being non-customer initiated. We anticipate that the unable-to-complete rate for meter attempts under the Legacy Meter Replacement Plan (LMRP) to be around 15%, but could be as high as 25% in some areas. This will present an ongoing challenge to the policy objectives of the accelerated rollout program.

56. We support the site defect notification and tracking processes proposed in the Draft Rules but believe improvements can be made to better encourage customers to address problems impacting a smart meter being installed. These improvements will also allow a simpler cost-effective industry process to be put in place.

57. The current proposal implements a process that provides two reminder notices to a customer to resolve the defect, after which notices cease. This approach does not cater for the situation where a new customer has moved into a site that the previous customer received the defect reminders for. The new customer would not be aware of any problems preventing a smart meter from being installed. The proposed process also requires a complex recording of notice dates to cater for the handoff of the notification process to a new retailer when the customer changes retailer halfway through the notification process. This requires AEMO to create a new CATS (Administration and Transfer Solution) transaction to maintain these dates and new data elements to be included to capture these dates.

58. Given the importance of customers resolving problems that they are responsible for that are preventing a smart meter from being installed, we propose that retailers simply be required to send two reminder notices when they become aware of a problem. This would be triggered when:

    a. a retailer is informed by the Metering Provider of the defect after a failed meter exchange attempt;

    b. a new customer moves into a premise that has a defect registered against the site; or

    c. a retailer becomes responsible for a site that has a defect registered against it.

59. Under the above approach, customers are reminded of the presence of a defect in all circumstances, maximising the opportunities for customers to resolve the issue. There is no need to track notice dates in MSATS, making it less costly and easier for the industry to implement.

60. To improve communication to the customer, the industry has identified the need for information on the nature of the defect to be made available to the retailer. This will be used to inform the customer of the category of defect found so that they can inform and engage the appropriate resource (usually an electrical contractor) to resolve the issue. The industry has identified the most efficient way for this information to be made available is for it to be hosted in MSATS alongside the defect flag that the Draft Determination recommended be added to support the defect process. Advice from AEMO is that this information will need to be included in the definition of NMI standing data before AEMO can allow this data to be maintained in MSATS.

61. We recommend that the definition of NMI standing data be expanded to include nature-of-defect information and that this be maintained in MSATS.

Access to defect information

62. Under the proposed drafting, clause 11.[xxx].11(a)(1) limits access to the defect information in MSATS to the Financially Responsible Market Participant (FRMP).

> 11.[XXX].11 Amendments to Market Settlement and Transfer Solution Procedures
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> (a) By no later than 30 May 2025, and in accordance with the *Rules consultation procedures*, *AEMO* must review and amend the *Market Settlement and Transfer Solution Procedures* to specify:
>
> (1) the information that must be recorded by a *Metering Coordinator* where it identifies a site defect during a site visit to replace a *Legacy Meter*, and details of which parties may access that data, which must be restricted to the *financially responsible Market Participant*;

63. This drafting appears to create a practical barrier where the Metering Coordinator is required to maintain (add or remove) the presence of a defect in MSATS but is not entitled to see it. We recommend that this drafting be reviewed.

64. Typically, access to information related to the NMI standing data is provided to all parties that have an interest in the NMI – that is, participants that are in a formal role in MSATS. This includes DNSPs, metering roles (Metering Coordinator, Metering Data Provider, Metering Provider), and embedded network roles.

65. This access provides transparency to participants:

    a. to be fully informed about a site and allow for efficient management of the site, in a safe and effective manner; and

    b. to allow participants to meet their obligations placed upon them by rules and procedures.

66. We note that a Metering Provider attending the site will not necessarily be the party that identified the defect. To help ensure continued safe management, especially when metering and DNSP technical resources attend a site, we recommend that access rights to defect information held in MSATS be extended to the DNSP and metering parties for that NMI.

Reducing barriers to installing smart meters and improving industry coordination

67. The Draft Determination places new obligations on retailers to provide enhanced information to the customer to better inform them of the benefits of smart meters and how they can take advantage of the services that smart meters enable.

68. Current drafting in clause 59A of the NERR requires this information to be provided to the customer in advance of any meter installation (excepting new connections). This must be provided at least four business days prior to the meter installation and applies equally to customer-requested meter exchanges, *New Meter Deployments*, faults, and family failure replacements.

69. As currently drafted, these obligations will reduce the flexibility of customers, retailers, and Metering Providers to change the deployment schedule to meet customer expectations, maximise field resource utilisation, and install meters as quickly and efficiently as possible. Similar notification obligations exist today for retailer planned interruptions (clause 59C of the NERR), but importantly they give retailers, Metering Providers, and customers flexibility to waive notice periods where explicit informed consent is gained from the customer. This is often used to change the installation date when the customer requests it or bringing it forward should resources become available earlier than expected or shifting it back when resources are unexpectedly delayed.

70. We recommend that the proposed obligations be varied such that, in situations where the customer has agreed to an appointment date that does not allow for the delivery of the information required under clause 59A of the NERR within the regulated period, this information can be provided either at the time of the meter installation or within 10 business days after the installation has taken place.

NERR 59A drafting issue

71. We note that the proposed drafting of clause 59A of the NERR is inconsistent with the Draft Determination, which states that the retailer must include in its notice to customers 'An indicative timeline for when the customer would receive the smart meter **(this can be a date range)**'. The proposed drafting only allows for the inclusion of a specific date and not a date range. We also recommend that providing a time in this notice is unnecessary as the customer will continue to receive a planned interruption notice under NERR 59C where the interruption time will be provided.

72. Our recommended drafting for NERR 59A(3)(b) is:

> (b) the expected date ~~and time~~, or date range, on which the retailer proposes to replace the customer's *meter*; "and of any associated supply outage".

Metering Provider access to NMI standing data

73. During the Metering Services Review, Metering Providers gave feedback on the need to be able to access NMI standing data for sites where the Metering Provider was not in a formal role. This is not currently permitted under the current Rules. Bluecurrent's feedback on the Draft Review Report indicated that we expect that NMI discovery will be a critical tool to help ensure that meter exchanges at a shared fuse site can proceed as smoothly as possible. We stated that:

> - The primary MCs must be able to use NMI Discovery in MSATS to determine who the retailers are for NMIs at a multi-occupancy site. This is so they can efficiently manage the raising of a work request (Service Order) and the coordination requirements in relation to each retailer. Current AEMO procedures prohibit MCs from accessing this information.

74. Metering Providers have obligations to ensure that sites are metered correctly. When issues arise, it is difficult to meet these obligations without a holistic view of the situation, i.e. being able to see information about all related NMIs.

75. Although Metering Provider access to NMI standing data is not currently permitted by the Rules, up until August 2023, Metering Coordinators had access and could submit a NMI discovery request in MSATS. We had expected that the Draft Determination would address this anomaly by extending access rights in the Rules to enable the Metering Provider to perform its role efficiently, as indicated in the drafting instructions in the Metering Services Review's Final Report. While we expect that it will be important to have access to NMI discovery in a shared fusing scenario under the accelerated rollout, it is also a critical tool for day-to-day metering tasks, including:

    a. **Crossed meter investigations** – NMI discovery is used to find out who the current FRMP / Metering Coordinator / Metering Data Provider is for the other NMI. Metering Providers have obligations to ensure the sites are correctly metered. Without this access, we cannot meet this obligation.

    b. **Panel replacement at multi-occupancy** - Where a REC is replacing a meter board and all the meters need to be replaced, Metering Providers use NMI discovery to confirm the retailers provided by the REC for each NMI, or where the REC has only provided the meter serial numbers, determine the NMIs and the retailers so they can be contacted to make arrangements for metering works to be undertaken.

c. **Special projects** – An example of a special project has been a government department that is a landlord wishing to install solar PV and batteries and had the meter exchanged on their properties (usually in rural indigenous communities). In that project, the landlord has asked for assistance in locating the retailer to discuss the meter exchange because the landlord cannot get the information from the tenant.

d. **Meter investigations related to 'lost meters'** – This occurs when smart meters lose communications and we attend the site but are unable to locate the meter. In many cases, we find that there are one or more new NMIs allocated to the address by the DNSP, and that the NMI our meter is on is effectively abolished but is still 'active' in the market. NMI discovery is used to search address details which will show more than one active NMI for that address. This is common in NSW because of the Accredited Service Provider (ASP) Scheme in that state. We have found many of these as a consequence of dealing with the 5-minute data residual.

e. **Investigations where we have been unable to locate a legacy meter for replacement –** Using address searches or legacy meter searches identifies other NMIs that are at the same property or properties in the vicinity, or where the field personnel thought they were at the correct address but obviously were not.

f. **Identifying meters installed at the wrong property** because the DNSP changed NMI addresses after the metering work was completed.

76. In many cases, resolving the above issues is complex and requires cross referencing between market data, non-market data such as Google maps, 'Whereis', Lands and Surveys plans, and titles, etc. Access to NMI standing data is critical to be able to deal with these problems.

77. We have recently heard accounts where a REC has taken nine weeks to determine the NMIs and retailers related to a panel replacement job, a task that would have taken a few days for the Metering Provider if they had access to NMI discovery. Lack of access is impacting customers.

78. We had expected that access to NMI standing data would have been addressed in the Draft Determination and were surprised when it was not. The Metering Services Review Final Report's proposed drafting instructions stated that:

> Both metering coordinators and AEMO note rule 7.15 of the NER poses a barrier to allowing metering coordinators access to NMI Discovery. The Commission views this as an issue that should be considered further during the rule change process, in the context of the one-in-all-in approach and potentially other circumstances where metering coordinators require access to NMI Discovery when undertaking meter upgrades or replacements.

79. We strongly recommend that the AEMC recognise this as a material barrier to the efficient deployment and management of smart meters, and to address the data access problems in Rule 7.15 to restore Metering Coordinator access to MSATS NMI discovery.

Creating a fit-for-purpose testing and inspection regime

80. We support the proposed changes to the testing and inspection regime that will require AEMO to develop a guideline for assessing and approving the Metering Coordinator's Meter Asset Management Strategy (MAMS). We strongly endorse the inclusion of the MAMS Objective that recognises the need for a proportionate approach to testing and inspection that has "regard to the costs and benefits to consumers". We look forward to participating in AEMO's consultation on the new guideline.

Drafting issues for Rule S7.6.1.2 and Rule S7.6.1.3

81. The proposed drafting changes for Rules S7.6.1.2 and S7.6.1.3 create a paradox. Changes to Tables S7.6.1.2 and S7.6.1.3 introduce the same problem. In Table S7.6.1.2, changes to the testing period for

whole current meters is to read "the testing requirements must be in accordance with an asset management strategy". Yet the preceding paragraph states that Table S7.6.1.2 does not apply if the Metering Coordinator has an asset management strategy, noting that the glossary term for MAMS is that it is a document that has been approved by AEMO.

82. Under the proposed drafting, Table S7.6.1.2 is to provide the default testing timeframes for a meter when a Metering Coordinator does not have a MAMS. Therefore, this table should contain a value. We recommend that for whole current meters, the default testing period should be 15 years.

83. In addition, Table S7.6.1.3 replaces "when the meter is tested" with the phrase "in accordance with an asset management strategy". Once again, Table S7.6.1.3 does not apply if the Metering Coordinator has an asset management strategy. We recommend that the proposed sentence be reverted.

Concluding comments

84. We are happy to further discuss any aspects of our submission with the AEMC. Please contact Paul Greenwood (Industry Development - Australia) at Paul.Greenwood@vectormetering.com in the first instance.

85. No part of this submission is confidential, and we are happy for the AEMC to publish it in its entirety.

Yours sincerely

Neil Williams
Chief Executive

Appendix

Suggested drafting for 7.8.10D Shared fusing meter replacement procedure

7.8.10D Shared fusing meter replacement procedure

(a) Where a Metering Coordinator (Original Metering Coordinator) is aware that repairing, installing or replacing a metering installation at the connection point of one small customer (First Affected Meter) requires interrupting supply to other small customers, the Original Metering Coordinator must notify the relevant retailer within 5 business days.

(b) Within 5 business days of being notified by the Original Metering Coordinator under paragraph (a), the retailer must inform the relevant Local Network Service Provider advising them of the Original Metering Coordinator.

(c) Within 20 business days of being notified by the retailer under paragraph (b), the Local Network Service Provider must visit the site and determine all NMIs requiring interruption of supply, and determine an appropriate date (Shared Fusing Meter Replacement Date) for a Distributor Planned Interruption to allow for meters to be exchanged (in consultation with the requesting retailer and/or the Original Metering Coordinator under paragraph b where necessary).

(d) Where the metering installations on the affected NMIs (including the First Affected Meter) are not Legacy Meters, then the Local Network Service Provider must set the Shared Fusing Meter Replacement Date to be within 40 business days of becoming aware of the need for the interruption and issue a Shared Fusing Meter Replacement Notice to the retailer for the First Affected Meter.

(e) Where one or more of the metering installations on the affected NMIs (including the First Affected Meter) is a Legacy Meter, then the Local Network Service Provider must set the Distributor Planned Interruption date to be between 25 business days and 45 business days after the Shared Fusing Meter Replacement Notice will be issued to each relevant retailer.

(f) The Shared Fusing Meter Replacement notice must contain:

(i) the name of the Original Metering Coordinator; and
(ii) the time and date on which Distributor Planned interruption is scheduled for. (Shared Fusing Meter Replacement Date).

(g) Within 5 business days of receiving a Shared Fusing Meter Replacement Notice from the Local Network Service Provider, each retailer must appoint a Metering Coordinator (which may be the Original Metering Coordinator or another Metering Coordinator) and make arrangements to replace the relevant Legacy Meters and, if relevant, repair the First Affected Meter on the Shared Fusing Meter Replacement Date.

Note
The AEMC proposes to recommend that clause 7.8.10D(e) be classified as a Tier 2 civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(h) Paragraph (d) does not apply if the proposed site in relation to a metering installation that would otherwise be replaced pursuant to a Shared Fusing Meter Replacement Notice is not accessible, safe or ready for installation on the Shared Fusing Meter Replacement Date.