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INTELLIHUB GROUP

SUBMISSION TO THE AEMC DRAFT DETERMINATION ON ACCELERATING SMART METER DEPLOYMENT RULE CHANGE

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Intellihub Australia Pty Ltd | Level 14, 570 George Street, Sydney, NSW 2000, Australia
T 1300 119 919 | E info@intellihub.com.au | intellihub.com.au

The Intellihub Group (Intellihub) welcomes the opportunity to provide feedback on the AEMC's Draft Determination on Accelerating Smart Meter Deployment.

Intellihub is an Australian and New Zealand based digital energy management specialist that is simplifying the transition to sustainable energy through our holistic ecosystem of smart devices and services. We deliver innovative metering, data and behind the meter solutions that maximise digital and new energy services. We are an experienced and leading provider of multi-utility services across electricity and water networks for residential, commercial & industrial, embedded network and solar metering customers. We specialise in asset management, installation, financing, and the day-to-day operations of smart meters, managing more than 2.5 million advanced smart meters.

Intellihub strongly supports the draft determination

Intellihub was one of the proponents of the accelerating meter deployment rule change request, along with SA Power Networks and Alinta Energy. Our rule change request was heavily based on the recommendations from the AEMC's final report for its review of the regulatory framework for metering services.

We strongly support the AEMC's draft determination. The draft determination is consistent with our rule change request and the review's recommendations and builds on the extensive work and consultation undertaken by the AEMC as part of the review.

We agree with the AEMC that the draft decision will promote a fast, efficient and effective deployment of smart meters that will deliver significant benefits to consumers.

We support each of the key elements of the draft decision, which are:

- an accelerated deployment of smart meters, with Legacy Meter Retirement Plans (LMRPs) to drive universal update of smart meters across the National Electricity Market (NEM) by 2030
- new arrangements for the provision of power quality data (PQD) services to Distribution Network Service Providers (DNSPs) to enable them to better manage their networks
- new customer safeguards to assist consumers and build social licence for the accelerated deployment
- improvements to the customer experience for metering upgrades
- reducing meter installation barriers to support an efficient accelerated meter deployment, including though new arrangements for shared fusing and remediating site defects
- improved meter testing and inspection requirements.

We consider that the draft determination strikes an appropriate balance on these issues and delivers an overall package that will promote the long-term interests of consumers. We recognise that not all of the AEMC's draft decision positions (and the review recommendations they are based on) accord with Intellihub's preferred positions as set out in our previous submissions to the review, but we support the draft determination as a package and proposed the rule change request on that basis.

The draft rules have generally done an excellent job of converting our rule change request and the AEMC's draft decision into implementable rule obligations. However, there are a number of implementation and drafting issues where we consider that the draft rules need to be revised to better give effect to the policy intention of the draft decision and the review's recommendations. Further consideration also needs to be given to the commencement dates for several of the obligations.

This submission focusses on these drafting and implementation considerations and does not propose any material changes to the underlying policy positions in the draft determination and review recommendations.

Aspects of the accelerated deployment and LMRP draft rules should be clarified

Intellihub supports the draft determination's proposed approach to the accelerated deployment of smart meters under the LMRP. We raise the following drafting issues to clarify the application of the LMRP provisions in the draft rule.

'Reasonable explanation' should be clarified

Clause 11.[XXX].7 requires each retailer to replace all legacy meters by the replacement deadline unless it 'has a reasonable explanation for failing to meet the Replacement Deadline'. These words are not very clear and there is no guidance on what would be a 'reasonable explanation'.

We suggest amending the words to 'reasonable excuse' and either defining what constitutes a reasonable excuse or requiring the AER to publish guidance on what excuses are reasonable. We expect that there should only be a very small list of reasons for not meeting the replacement deadline, such as unremedied site remediation issues or natural disasters. For example, for the Victorian AMI smart meter rollout the Order in Council specified that the only permitted reasons for not meeting the replacement deadline were an inability to obtain access, an inability to install the meter or a refusal by the account holder.[1]

Meters that are not replaced by 30 June 2030 should still have a replacement obligation

The draft rule does not appear to impose any obligations on retailers in relation to those meters that are not replaced by the replacement deadline. Clause 11.[XXX].8(b)(3) requires retailers' reports to the AER for the final Interim Period to set out 'the Affected Retailer's plans to replace any Legacy Meters that had not yet been replaced as at the Replacement Deadline'. However, there is no obligation to implement those plans.

We recommend that the draft rule is amended to impose an obligation on Affected Retailers to replace any Legacy Meters that have not been replaced as at the Replacement Deadline as soon as is reasonably practicable and in accordance with their plans referred to in clause 11.[XXX].8(b)(3).

The LMRP replacement obligation should apply once site defects are remedied

Intellihub supports the new site defect notice provisions in the draft rule but recommends that the LMRP provisions clarify the timeframe for meter replacements where a site defect is identified for a site covered

[1] See clause 6(3) of the Advanced Metering Infrastructure (Obligations to Install Maters) Order 2017

by the LMRP and the customer rectifies the defect. We recommend that this situation should be treated the same as a retailer churn scenario that is covered by clause 11.[XXX].7, with the meter required to be replaced by the later of the replacement deadline or six months from the time the retailer was informed of the rectification.

The LMRP provisions were not intended to apply in Tasmania, Victoria or the Northern Territory

The AEMC should clarify the jurisdictions in which the LMRP provisions apply.

The intention of the rule change request was for the LMRP provisions to apply in all NEM jurisdictions except Tasmania and Victoria. This is consistent with the AEMC's review final report. Victoria has already completed a smart meter rollout and Tasmania is on track to complete a universal rollout by the end of 2026.

The draft rule's LMRP provisions appear to apply to all Local Network Service Providers (LNSPs) and jurisdictions covered by the rules. This would require DNSPs in Victoria and Tasmania to consult on and develop LMRPs for a 2025-2030 rollout that complies with the LMRP objective and principles. This is likely to create extra costs for no benefit in those jurisdictions, and could cause confusion in Tasmania as the LMRP principles would require a slower rollout than is currently underway.

We recommend amending the draft rule so that it does not apply in Tasmania or Victoria. For example, this could be done by adding a new clause exempting (or giving the AER the power to exempt) any LNSP from the LMRP provisions where it is located in a jurisdiction that has already completed a universal or near-universal smart meter rollout or such a rollout is already underway with a replacement deadline prior to 30 June 2030.

We also note that including the LMRP provisions in chapter 11 rather than chapter 7 means that they may apply in the Northern Territory. The Northern Territory has adopted parts of the NER, but does not apply chapter 7 and instead has its own modified metering rules in NT NER chapter 7A. There may be some value in applying the LMRP in the Northern Territory, but that does not appear to have been envisaged by the review and was not intended in our rule change request, noting that the contestable MC framework and most of the supporting consumer protections for the accelerated rollout under the NER and NERR do not apply in the Northern Territory.

MCs require access to NMI Standing Data during the LMRP Period to support efficient and timely planning of the rollout

The effective implementation of the LMRPs and efficient rollout of smart meters will rely on Metering Coordinators (MCs) having access to information regarding the LMRPs' detailed rollout schedule and the metering arrangements at customers' sites. Much of this information will be contained in AEMO's MSATS systems and treated as NMI Standing Data.

In addition to existing information in MSATS, the draft rule provides that the following information will be required for the accelerated rollout and will be NMI Standing Data:

- A schedule specifying the legacy meters and corresponding NMIs to be replaced in each Interim Period under the LMRP: This information is required to be provided by the relevant DNSP to Affected Retailers and MCs under clause 11.[XXX].4(d)(1) and recorded in MSATS under clause 11.[XXX].4(d)(2). Clause 11.[XXX].10(a) provides that this information is deemed to be NMI Standing Data.
- Information on site defects: MCs will be required to record information on site defects in MSATS under clause 11.[XXX.].11. This information will assist future retailers and MCs who attempt to install a meter at that site at a later date, e.g. if the customer changes retailer.

The wording of clause 11.[XXX].4(d)(1) seems to clearly require the DNSP to give this schedule to all MCs, which we consider is correct. As discussed below, it would not be practical or useful for the LNSP to only give each MC the part of the schedule that relates to NMIs where that person is currently appointed as the MC. At the date when the LMRP and schedule are developed, the DNSP will be the MC for every meter in the schedule.

Access to NMI Standing Data is governed by clause 7.15.5(c). MCs may access NMI Standing Data, but currently can only do so where they are the MC appointed in respect of the relevant connection point. Similar provisions apply to the Metering Provider (MP) and Metering Data Provider (MDP).

This limitation on access will not be workable under the LMRP. At the time the LMRP and schedule of NMIs is developed, the DNSP will be the MC, MP and MDP for all the relevant meters covered by the LMRP. New contestable MCs will not become the MC for the meters that are to be replaced under the LMRP until they are appointed by the retailer in relation to that connection point, which will not occur until, or slightly before, the meter is replaced.

This means that under the draft rule, MCs will not be entitled to access NMI Standing Data until they are appointed as the MC for each connection point. That would appear to prevent MCs from accessing the information in the LMRP schedule of NMIs, even though LNSPs are required to provide it to them under clause 11.[XXX].4(d)(1). They would also be prevented from accessing NMI Standing Data in MSATS to check this information or other information about the metering arrangements at the site to help plan the deployment and avoid unnecessary multiple site visits, including the new site defect information or coordinating meter replacements for sites covered by the new shared fuse replacement arrangements.

This would make it very difficult for MCs to plan the accelerated rollout efficiently and would increase the cost of the rollout. It would likely require inefficient workarounds where retailers provide MCs information directly. The deeming of the LMRP schedule of NMIs to be NMI Standing Data by clause 11.[XXX].10(a) may even prevent sharing information directly between retailers and MCs in this manner, which is not intended by the draft determination.

We recommend addressing this issue by adding a new provision to the draft rule that provides that during the LMRP Period, MCs may access NMI Standing Data in relation to any NMI that has a Legacy Meter, regardless of whether they have been appointed as the MC in relation to the relevant connection point. This provision could be added to clause 11.[XXX].10 or 11.[XXX].11.

This new provision should provide that NMI Standing Data that is accessed by MCs under this provision may only be used by the MC for the purposes of planning and carrying out the replacement of Legacy Meters in accordance with the LMRP. It should be limited to NMIs that have Legacy Meters, so that contestable MCs cannot use this power to obtain information that may be commercially sensitive in relation to meters where a different contestable MC has been appointed at that connection point, such as the identity of the MC and retailer. AEMO could include further restrictions in use in the MSATS procedures where it considered it necessary to prevent misuse of this information. This access right would cease to apply at the end of the LMRP Period.

We consider that the above restrictions on use are sufficient to protect the information and that this information is critical for a successful accelerated rollout by supporting coordination and delivery efficiencies.

The draft rule's power quality data provisions need to be revised to match the policy positions in the draft determination and review recommendations

Intellihub supports the power quality data (PQD) arrangements set out in the draft determination. Those arrangements are largely consistent with the recommendations of the review and the outcomes of the PQD sub-reference group that undertook considerable work on this issue during the review.

However, the arrangements set out in the draft rule are very different to the position set out in the draft determination and previously agreed during the review and create a number of challenges.

In particular, the draft determination, review and rule change request are clear that the rules would only require MCs to provide a 'basic' PQD and would define the scope of basic PQD. The draft determination says advanced PQD services that are not covered by the basic PQD service could be provided if agreed on a commercial basis but would not be regulated. In contrast, the draft rule is not limited to a basic PQD service and contains no distinction between basic and advanced PQD services. The draft rule does not define basic PQD services, and instead only defines 'power quality data' and requires MC and MDPs to provide power quality data. Power quality data is defined very broadly in the draft rule in a way that would cover both basic and advanced PQD services.

The draft rule also treats PQD the same as metering data. It imposes the same extensive and costly obligations on the MDP to collect, deliver, validate and substitute PQD. This is not consistent with the low-cost service envisaged in the draft determination and review. PQD is very different to metering data that is used for settlement and billing and it was never envisaged in the review that the same standards and MDP obligations would apply to PQD. It is also not consistent with the arrangements previously agreed in the review's PQD sub- reference group where it was agreed that obligations would not be imposed on the MDP and instead only high-level obligations would be imposed on the MC/MP that would not include obligations like data validation and substitution.

These issues were recognised by numerous stakeholders in the AEMC's PQD sub-reference group meeting for the rule change on 10 May 2024. We consider that good progress was made in that meeting on

identifying the issues and potential solutions to them, including some useful proposals made by AEMO in that meeting.

Consistent with our comments in that sub-reference group meeting, we recommend that the following changes are made to the draft rule to better reflect the policy set out in the draft determination and the review's recommendations.

PQD definition should be limited to a basic PQD service

The PQD definition in the glossary should be limited to a basic PQD service as stated in the draft determination and review.

We recommend doing so by:

- Renaming the definition from 'power quality data' to 'basic power quality data' and making consequential changes throughout the draft rule.
- Revising the definition so it contains an exhaustive list of the data that it covers. Currently, PQD is defined as 'The characteristics of the power supply as measured by the meter, which includes...'. This non-exhaustive definition means that it covers any characteristics of power supply and is not limited to the listed characteristics, e.g. there is nothing that excludes other characteristics that should instead be part of the advanced service. It should be amended so this basic service list is exhaustive.
- Including more details on the nature of the data to be provided, consistent with the review recommendations and agreement previously reached between stakeholders in the review's PQD sub-reference group. In particular, the definition should be clear that the data that is required to be provided is instantaneous data (as opposed to an average over the interval) measured at 5 minute intervals for each phase and delivered once per day.
- Limiting the basic PQD definition to circumstances where the PQD is provided to the regulated service level set by AEMO in the service level procedures it will develop under clause 7.16.6(a). This is consistent with the draft determination and review's positions on what is covered by the basic service. If a DNSP requests the data to be provided to a higher service level, then that would be an advanced PQD service that is commercially negotiated.

Our recommended revised definition addressing each of the above issues is:

basic power quality data

The following characteristics of the power supply as measured by the meter at 5 minute intervals for each phase and delivered once per day in accordance with the service levels set out in the *service level procedures*:

(a) instantaneous voltage, expressed in volts;
(b) instantaneous current, expressed in amperes; and
(c) instantaneous power factor, expressed as the ratio of the active power kW to the apparent power kVA or as a phase angle.

Advanced PQD services should be recognised in the rules

The rules should expressly recognise that MCs may provide advanced PQD services on a commercial basis. The current broad definition of PQD and limits on the access parties for PQD under the draft rule could prevent MCs providing advanced PQD services on a commercial basis, which is contrary to the intention of the draft determination. There could also be disputes between MCs, DNSPs and retailers regarding the MC's ability to provide advanced PQD services and who bears the costs of those services given the lack of a distinction in the draft rule between basic PQD services (paid by the retailer as part of the regulated MC service) and advanced PQD services (paid by the service recipient as a commercial service).

This distinction should be implemented in clause 7.6.1. If the regulated PQD service is clearly limited to a basic PQD service as proposed above, then it will be clear that the MC is responsible for providing the basic PQD service as part of its regulated obligations and recovering the costs for that service from the retailer who appointed it as set out in clause 7.6.1(a). Clause 7.6.1(b) should then be amended to refer to advanced PQD services to make it clear that MCs may provide advanced PQD services on terms that are commercially agreed with the requesting party (subject to any access restrictions in other parts of the rules). This could be achieved by adding a reference to advanced PQD services after 'metering data' in clause 7.6.1(b).

To clarify the application of clause 7.6.1 and the distinction between basic PQD and advanced PQD, the rules should also add a definition of advanced power quality data.

Advanced power quality data should be defined as characteristics of the power supply as measured by the meter that are not basic PQD, including data that would otherwise be basic PQD but which is provided to meet a service level agreed to by the MC and recipient that exceeds the service levels required by the service level procedures for basic PQD.

Objective and principles for the basic PQD service level procedures should be specified

Even if the definitions in the rules are amended as proposed above, there will still be considerable additional details of the scope of the basic PQD service and the applicable service levels and exchange mechanisms that will need to be determined. It is not practical to include this level of detail in the rules and attempting to do so would result in a lengthy delay to the making of the final rule. These details will instead need to be set out in procedures.

We support the draft rule's approach of requiring AEMO to address these matters in amended service level procedures under clause 7.16.6. Amendments to other AEMO procedures and the B2B Procedures made by the Information Exchange Committee (IEC) are also likely to be required, for example to specify how basic PQD is exchanged between MCs and DNSPs.

However, the draft rule currently provides almost no guidance to AEMO on what to include in these procedures.[2] This contrasts with the draft determination, the review final recommendations and the outcomes of the review's PQD sub-reference group where considerable work was done on the intended specifications for the service.

Under the draft rule, there is a risk that AEMO could adopt a very different approach when it develops its procedures, or that consultation on the procedures could be unnecessarily delayed due to the lack of guidance in the draft rule and perceived need to reconsult on issues. AEMO published its Draft High Level Impact Assessment (HLIA) on 10 May 2024 setting out its preliminary views on how it may implement the draft rule. The HLIA contains considerable detail on the required procedure and system changes for most parts of the draft determination, but contains no information on PQD and states that 'AEMO has insufficient information available to define the system impacts' for PQD. This reinforces the need for the rules to provide more guidance on the scope of the PQD service and required procedure changes.

We recommend that the draft rule is amended to specify a PQD Objective and PQD Principles that AEMO and the IEC must take into account when making or amending any procedures related to PQD. This is consistent with the approach adopted in the draft rule for AEMO's Asset Management Strategy Guidelines (clause S7.6.1) and the LMRP (clause 11.[XXX].2). This approach will enable the rules to provide increased guidance while not requiring the AEMC to undertake a large amount of additional work to specify matters in such a level of detail that would delay the making of the final rule.

The PQD Objective should reinforce that the basic PQD service is a low-cost basic service that MCs provide to LNSPs to enable them to operate their distribution networks more efficiently.

The PQD Principles should build on key matters that were agreed during the review process and include principles that:

- the requirements of the basic PQD service, the applicable service levels and the mechanism for the exchange of basic PQD should minimise the costs of providing the service
- collection and provision of basic PQD services should utilise the existing capabilities of small customer type 4 meters and should not require any meter hardware or firmware upgrades
- to minimise the costs of the service, the service levels for basic PQD should be lower than for metering data
- data validation, substitution and processing are not required to be performed by the MC or MDP, other than basic validation that the data complies with any standardised format specified by AEMO.

The MC should be responsible for basic PQD not the MDP

The draft rule should be amended so that the PQD obligations apply to the MC and not the MDP. This is based on a proposal made by AEMO in the 10 May 2024 PQD sub- reference group meeting. This

[2] The only provision in the draft rule that appears to limit the scope of the PQD service and the service level obligations AEMO can include in procedures is an amended clause 7.10.3(b), which states: 'AEMO must ensure that the procedures it authorises under this Chapter 7 do not require the Metering Data Provider to provide metering data, power quality data or relevant NMI Standing Data to a person under paragraphs (a) or (a1) except to the extent that such metering data, power quality data or relevant NMI Standing Data is required by that person to perform its obligations under the Rules, the NERR or jurisdictional electricity legislation.'

approach is more consistent with the review recommendations and the outcomes of the PQD sub-reference group meetings during the review.

This approach would mean that the draft rule's amendments to clause 7.10 would not be necessary and can be deleted, including the new obligations on the MDP and the change to the definition of metering data services to add PQD to that definition. Those provisions are problematic as they treat PQD the same as metering data and impose costly requirements that are inconsistent with a basic PQD service such as data validation and substitution.

Access parties

Clause 7.15.5(c1) of the draft rule provides that only the LNSP and AEMO may receive PQD.

In the 10 May 2024 PQD sub- reference group meeting, AMEO clarified that it does not expect to be a recipient of PQD and there should not be any obligation to send PQD to it, but that it should be listed as an access party in this clause so that it can access PQD if necessary for audit purposes. We support that approach.

We note that use of the word 'Only' in clause 7.15.5(c1) could be confusing in relation to whether the MC, MDP and MP are also permitted access parties for PQD. These parties are listed as access parties generally in clauses 7.15.5(c)(2)-(4) and should have access to PQD. Depending on which party the PQD obligations are placed on, the other metering parties may also need access to PQD. For example, if the obligation to provide PQD is placed on the MC, then the MP and MDP should also be permitted access parties. The AEMC should consider whether the drafting of the clause needs to be clarified in relation to this issue.

PQD exceptions should be clarified

We support the draft rule's exceptions for the provision of PQD in clause 7.3.1(a1). This clause provides that an MC is not required to comply with the obligations relating to PQD in relation to metering installations that are not technically capable of supporting the collection and remote communication of power quality data.

In the 10 May 2024 PQD sub- reference group meeting it was clear that different participants had interpreted this clause differently and that the scope of the exception was unclear and should be clarified.

We consider that this clause should cover all situations where a meter is not able to collect or remotely communicate PQD to the standard required by the rules and service level procedures. It is difficult to list all possible such scenarios without knowing how AEMO will define the service and its service levels, but we consider that this exception should apply in at least the following situations:

- the meter does not support remote communications, e.g. a type 4A meter
- there is a communications issue that temporarily prevents the meter from remotely communicating PQD at timeframes required by the service level procedures
- the meter is not capable of supporting 5 minute settlement

- if AEMO defines the basic PQD service more narrowly than in the draft rule definition of PQD and requires power factor to be expressed as phase angle, rather than phase angle or ratio as in the draft rule, the exception should apply to any meters that are not capable of measuring power factor as a phase angle.

MCs need flexibility to provide power factor as a phase angle or ratio

The draft rule defines PQD as including 'power factor, expressed as the ratio of the active power kW to the apparent power kVA or as a phase angle'. We support this part of the definition.

In the 10 May 2024 PQD sub-reference group, some participants proposed standardising this requirement as phase angle. We do not support that change and consider that the MC should have the choice whether to provide power factor data as a ratio or phase angle, based on the technical capabilities of the relevant meters.

We appreciate that greater standardisation would be beneficial for DNSPs but we have investigated the technical capabilities of Intellihub's current metering fleet and the majority of our currently deployed meters do not support the measurement of power factor as a phase angle.

Our currently deployed meters are from two manufacturers: EDMI and Landis+Gyr. Our current EDMI meters can measure power factor as either phase angle or ratio. However, almost all of our current Landis+Gyr meters can only measure power factor as a ratio. [Confidential information has been omitted for the purposes of section 24 of the Australian Energy Market Commission Establishment Act 2004 (SA), sections 31 and 108 of the National Electricity Law and sections 223 and 268 of the National Energy Retail Law.]

The shared fusing replacement procedure draft rules need to be clarified

Intellihub has some concerns regarding the new shared fusing meter replacement procedure as it doesn't consider important implementation matters that are key to achieving the LMRP objective of replacing meters in a timely, cost-effective, fair, and safe.

Intellihub has concerns that insufficient consideration has been put into the safety impacts of having multiple metering service providers on site at the same time which increases the potential for miscommunication leading to hazardous situations. In addition, we have concerns for the safety of customers if the work is not planned and communicated effectively, for example customers may not be able to enter or exit safely from their premises during a supply interruption for services that are reliant on power eg lift access, car park gates and entry exit doors. We believe obligating the DNSP to be the coordinator of the planned interruption, obligating the DNSP to take these matter into consideration and providing the DNSP flexibility to manage the planned interruption in a manner to balance the customer's impact and needs with an effective industry process will help to alleviate this concern. For example, to help shorten the duration of interruption for a complex site, it may be more effective to first install metering protective devices and later have another short interruption that is more suitable for the customer to install the meter.

Intellihub also considers that several parts of the draft rule are unclear and should be clarified in the final rule.

Application to large customers needs clarification

The draft rule is unclear on whether the shared fusing meter replacement procedure only applies to small customers or also applies to large customers.

- The new clause 7.8.10D(a) of the draft rule provides that the shared fusing meter replacement procedure only applies where repairing, installing or replacing the meter of one small customer requires interrupting supply to other small customers.
- In contrast, the new clause 7.8.10(a1) of the draft rule provides that were repairing a metering installation requires interrupting supply to another small customer or large customer then clause 7.8.10 does not apply and the metering installation must instead be replaced under the shared fusing meter replacement procedure.
- Our view is that clause 7.8.10D(a) is correct and that the shared fusing meter replacement procedure should only apply to small customers. The one-in-all-in process in the shared fusing meter replacement procedure is designed to require the replacement of all small customer legacy meters on a shared fuse with type 4 meters and is not relevant to large customers. Clause 7.8.10(a1) should therefore be amended to remove the reference to large customers. If repairing a meter requires an interruption to a large customer, this is addressed by the existing clause 7.8.10(3)(ii) and the ability for the retailer to require the LNSP to arrange an outage under rule 91A(d) of the NERR. However, we recommend that the current 30 business day timeframe in clauses 7.8.10(a)(3)(ii) are amended to 40 business days for consistency with the timeframe in clause 7.8.10D(c)(1).

Other drafting issues

There appear to be some cross-referencing and drafting issues in clause 7.8.10D of the draft rule that should be considered for the final rule:

- Paragraph (c)(1) requires the MC to ‘repair’ the first affected meter. We consider that this should refer to ‘repair, install or replace’, consistent with paragraph (a).
- The words starting at “If:” at the end of paragraph (c) and the following subparagraphs (1) and (2) relate to a different issue to the remainder of paragraph (c). It appears that they may have been intended to be a new paragraph (d) rather than part of paragraph (c), and we consider that it would be clearer if they were moved to a separate paragraph. This could have caused the cross-referencing issues noted below.
- Paragraph (e) has a cross-reference to ‘Subject to paragraph (e)’. We think this should refer to what is currently paragraph (f) (subject to any renumbering of the clauses as suggested above).
- The note below paragraph (e) states that the AEMC intends to recommend that clause 7.8.10D(d) is a civil penalty. We think this should refer to what is currently paragraph (e) (subject to any renumbering of the clauses as suggested above).
- Paragraph (f) starts with ‘Subject to paragraph (d)’. Given the issues noted above we are not sure which paragraph this is intended to refer to. We think it should refer to the paragraphs that are

currently numbered as (c)(1) and (e) as the deadlines in those paragraphs will not be able to be met in the circumstances referred to in paragraph (f).
- Paragraph (f) (or a new paragraph) should also provide that the timeframes in clause 7.8.10D do not apply where the MC has obtained an exemption from AEMO under clause 7.8.10. This wording is consistent with the opening words of the current clause 7.8.10(a) and is required to address the situation where the timeframes imposed on the original MC under clause 7.8.10 are not achievable for example family failures, site defect etc.

The review's recommendations on meter malfunction exemptions have not been addressed in the draft rule

The draft rule amends clause 7.8.10 to implement separate deadlines for individually identified malfunctions and family failures. It also makes a minor consequential change to clause 7.8.10(c).

However, the draft rule does not make most of the changes recommended by the review final report and proposed in the rule change request in relation to AEMO exemptions for family failures. The draft determination does not explain why these changes were not made.

The draft determination notes that the current rules provide for a broad power for the MC to apply to AEMO for an exemption from the meter malfunction timeframes and that a large number of exemptions have been granted by AEMO (see page 24). It states that as at April 2023, these exemptions applied to around 300,000 meters and affected appropriately 4.4% of customers.

To address this large number of exemptions, in its final report for the review the AEMC recommended introducing new differentiated timeframes for individual and family failures (consistent with the draft rule) and also amending the AEMO exemption provisions (not included in the draft rule).

The draft report for the review had recommended removing the ability to apply to AEMO for exemptions on the basis that it should not be required with the new longer timeframe for family failures. However, based on feedback from some stakeholders, the final report recommended retaining the ability to seek an exemption but amending it as follows (see section C.3.7 in Appendix C and drafting instruction 8 in Appendix I):

- 'For family failure of meters, the Metering Coordinator must apply for an exemption to the timeframes specified in clause 7.8.10 before the expiry of those timeframes.
- At the time of applying for an exemption, the Metering Coordinator must submit to AEMO a plan for how it proposes to address the reasons for being unable to install the meters.
- In assessing the exemption, AEMO must consider:
  - the size of the family failure;
  - the nature of the malfunction; and
  - any previous exemptions that AEMO has granted.'

These recommendations were included in the rule change request (drafting instruction 8 in Appendix A).

The draft rule does not make any of these changes to the exemption process. The only change it makes it to amend clause 7.8.10(c) (which already requires a rectification plan to be included with the exemption application but does not require reasons as recommended in the review) so that the person responsible for providing the rectification plan is the MC rather than the MP. This change was not proposed in the review or rule change request and it is not clear if it is appropriate given that the MP should be involved in developing the rectification plan.

The final determination should include the recommended changes from the review and rule change request or explain the reasons for not making them.

Other drafting clarifications

Site defect notice provisions should define 'defect'

The term 'defect' is not defined in the new site defect notice provisions in rule 59AAA of the NERR. We recommend that this term is defined so that it is clearer what is in scope and out of scope of this clause and what types of defects needs to be populated in MSATS.

Customer notices should not be required where the customer already has a smart meter

The draft rule inserts an amended rule 59A(2) that requires a notice to be provided to any small customer where the customer's meter is to be replaced with a type 4 or type 4A meter. This notice must contain certain information specified in clause 59A. The drafting of this provision means that it would apply any time that a small customer's existing meter is replaced with a type 4 or 4A meter, even if the customer already has a type 4 meter and it is being replaced with a new type 4 meter, e.g. due to a malfunction. The notice required by rule 59A is not appropriate in such situations as the replacement of a type 4 or 4A meter with another type 4 or 4A meter will not have any impact on the customer and most of the information contained in the notice is not relevant. We recommend that this clause is amended so that it only applies to small customers that have type 5 or 6 meters.

Customer notices should include an indicative timeline for the meter installation, which can be a date range

The draft determination sets out in Box 8 on page 23 the information that must be contained in a notice to customers. It states that this information must include: 'An indicative timeline for when the customer would receive the smart meter (this can be a date range)'.

We support this requirement and the ability to include a date range. The notice is required to be sent between 4 and 60 business days before the proposed installation date, and it is very difficult and inefficient to commit to an exact date and time for the installation that far in advance.

However, the wording in clause 59A(3)(b) of the NERR is inconsistent with this wording in the draft decision and should be amended for consistency. This paragraph currently states that the notice must include 'the expected date and tie on which the retailer proposes to replace the customer's meter'. This wording is unclear and we understand that it is interpreted differently by different retailers. The wording in the draft

determination is much clearer that only an indicative date or date range is required, not an exact date and time or time window.

Several of the commencement dates need to be reviewed

The proposed LMRP dates are appropriate

Intellihub supports the proposed commencement date for the LMRP provisions and the draft rule's dates for the key parts of the LMRP approval and implementation process, which are:

- by 30 September 2024, DNSPs must provide a draft LMRP and LMRP meter replacement schedule to all retailers and MCs and invite feedback
- by 31 January 2025, DNSPs must submit their final LMRP to the AER for approval
- by 31 March 2025, the AER must approve and publish the LMRPs
- by 30 May 2025, AEMO updates MSATS procedures to specify the LMRP information that must be recorded by DNSPs in MSATS
- by 29 June 2025, DNSPs must record the LMRP meter replacement schedules in MSATS so that it can be accessed by retailers and MCs
- 1 July 2025, accelerated deployment under the LMRPs commences
- 30 June 2030, accelerated deployment completed under LMRP.

Commencement dates for provisions that rely on new or updated AEMO procedures or guidelines need to be revised

Intellihub considers that the proposed commencement date for other aspects of the draft rule that rely on AEMO making new procedures or guidelines or updating current procedures are not workable and need to be reviewed and extended. More time is needed for AEMO to develop its new or amended procedures and for participants to implement and test their systems and processes to comply with the new procedures.

In its draft HLIA, AEMO agrees that the commencement dates set out in the draft determination for changes that rely on amended AEMO procedures are not realistic and proposes alternative dates. We agree with most of AEMO's proposed amended dates.

Intellihub's proposed commencement dates are set out in the following table.

Corresponding changes also need to be made to the provisions of the draft rule that set deadlines for AEMO to update its procedures, are also set out in the following table. As shown in the table, for several of the changes the draft rule proposes that the relevant provisions commence on the same date as AEMO is required to update its procedures. This approach is not workable, as participants require several months after the updated procedures are published to implement and test the necessary changes to their systems and processes to comply with the new procedures.

Draft rule provisions	Commencement dates and procedure deadlines proposed by the AEMC in draft determination	Commencement dates and procedure deadlines proposed by AEMO in draft HLIA	Commencement dates and procedure deadlines proposed by Intellihub
LMRP and accelerated deployment	Relevant rules provisions commence on 25 July 2024 to enable the process of DNSPs developing LMRPs and the AER approving LMRPs. Accelerated deployment under LMRPs commences on 1 July 2025. AEMO must update any relevant procedures by 22 January 2025.	No change to commencement dates. AEMO to update procedures by late November 2024.	No change to commencement dates (subject to the date of the final determination). AEMO to update procedures by 30 November 2024.
Prohibition on upfront charges and exit fees	Relevant rules provisions commence on 25 July 2024, but only apply during the LMRP period (i.e. 1 July 2025 to 30 June 2030)	Not addressed – no AEMO procedure or system changes needed	No change to commencement dates (subject to the date of the final determination)
Customer notices and other consumer protections	25 July 2024	Not addressed – no AEMO procedure or system changes needed	No change to commencement dates (subject to the date of the final determination)
Shared fuse replacement procedure	New obligations on retailers, MC and DNSPs commence on 22 January 2025. AEMO must update any relevant procedures by 22 January 2025.	New obligations commence on 1 July 2025 to align with the start of the accelerated deployment under LMRPs. AEMO to update procedures by late November 2024.	1 July 2025 commencement date. AEMO to update procedures by 30 November 2024.
Testing and inspections	Amended obligations on MCs commence on 22 January 2025. Obligation on AEMO to develop the asset management strategy guidelines commences on 25	Amended obligations to commence on 1 July 2025. AEMO to publish guidelines by February 2025.	1 July 2025 commencement date. AEMO to publish guidelines by 28 February 2025.

Draft rule provisions	Commencement dates and procedure deadlines proposed by the AEMC in draft determination	Commencement dates and procedure deadlines proposed by AEMO in draft HLIA	Commencement dates and procedure deadlines proposed by Intellihub
	July 2024 and guidelines must be published by 22 January 2025.		
Meter malfunctions	Amended obligations on MCs commence on 22 January 2025. AEMO must update any relevant procedures by 22 January 2025.	Amended obligations to commence on 1 July 2025. AEMO to update procedures by late November 2024.	1 July 2025 commencement date. AEMO to update procedures by 30 November 2024.
Site defect notice procedure	New NERR obligations on MCs and retailers commence on 26 June 2025. Obligation on AEMO to amend the MSATS procedures commences on 25 July 2024 and must be amended by 30 May 2025.	Amended obligations to commence on 1 July 2025. AEMO to update procedures by late November 2024.	1 July 2025 commencement date. AEMO to update procedures by 30 November 2024.

Draft rule provisions	Commencement dates and procedure deadlines proposed by the AEMC in draft determination	Commencement dates and procedure deadlines proposed by AEMO in draft HLIA	Commencement dates and procedure deadlines proposed by Intellihub
Power quality data	New obligations on MCs and MDPs commence on 26 June 2025. AEMO and IEC must update the service level procedures, B2B procedures and any other relevant procedures by 22 January 2025.	New obligations commence 'mid-2026'. AEMO to update procedures by late September 2025, noting that the HLIA states that more details are needed on PQD to assess the impacts on systems and procedures.	New obligations commence on 1 July 2026 for any new meters installed from that date, and on 1 July 2027 for any meters installed prior to 1 July 2026. AEMO and IEC required to publish amended procedures by 30 September 2025. These dates assume that AEMO uses existing platforms for PQD data exchange. AEMO's HLIA indicates that it may use its proposed new IDX platform, which has not yet been built and would require additional time for development, implementation and testing. If the IDX platform is used, the PQD commencement date should be at least 12 months after AEMO's procedures are published.

We would be happy to provide more detail and to work closely with the AEMC in addressing any of the issues raised above. 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