



# Electricity Rule Change Proposal

Refining the eligibility requirements for  
Secondary Settlement Points

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New South Wales | Queensland | South Australia | Victoria | Australian Capital Territory | Tasmania | Western Australia

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# 1. Summary

This submission proposes an amendment to the National Electricity Rules (NER) under rule 7.2.6(b)(3), as introduced by the AEMC's final determination on Unlocking CER Benefits through Flexible Trading (reference ER0346)<sup>1</sup>. The current drafting restricts the establishment of Secondary Settlement Points (SSPs) for premises with Victorian Advanced Metering Infrastructure (VIC AMI) installations, which are designated as type 5 meters under the Victorian Orders in Council. This exclusion appears unintended and limits Victorian customers' ability to benefit from SSPs, as envisioned in the original rule change. The proposed amendment would replace the list of metering types with a requirement for remote acquisition capability, maintaining the rule's intent while accommodating Victoria's regulatory framework.

In light of the support for SSP application in Victoria expressed in Section 4.3 of the AEMC's final determination, we respectfully request that the Commission consider this minor amendment to enable equitable access to SSP functionality across all NEM regions, including Victoria.

Two additional minor administrative changes are proposed to the final drafting of the rule, specifically to the tables in NER S7.2.2.2 and S7.3.2.

## 2. Relevant background

### 2.1. Unlocking CER Benefits rule eligibility

On 15 August 2024, the AEMC published its final determination and rule on ER0346, "Unlocking CER Benefits through Flexible Trading." This rule introduces flexible trading arrangements through the establishment of SSPs, allowing consumers to adopt multiple trading relationships and realise the value of Consumer Energy Resources (CER) through subtractive settlement arrangements.

As drafted, NER 7.2.6(b)(3) states:

"For a Secondary Settlement Point to be established, the premises connection point metering must be a Type 1, 2, 3, 4, 8A, or 9 metering installation."

This list effectively limits SSP establishment to premises with metering installations capable of remote data acquisition, aligning with the rule's intent to enable accurate and timely subtractive settlement.

However, this wording inadvertently precludes SSP establishment in Victoria, where the Orders in Council (Government Gazette S342 2017<sup>2</sup> and S346 2017<sup>3</sup>) classify all AMI meters as type 5, despite their capability for remote data acquisition. This discrepancy creates a barrier for Victorian customers wishing to benefit from the SSP arrangement and risks creating an inequitable outcome in CER flexibility.

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<sup>1</sup> <https://www.aemc.gov.au/rule-changes/unlocking-CER-benefits-through-flexible-trading>

<sup>2</sup> <https://www.gazette.vic.gov.au/gazette/Gazettes2017/GG2017S342.pdf>

<sup>3</sup> <https://www.gazette.vic.gov.au/gazette/Gazettes2017/GG2017S346.pdf>

## 3. Statement of issue

### 3.1. Eligibility for customers in Victoria

While the current drafting of 7.2.6(b)(3) accurately reflects the intent of the AEMC's final determination, and AEMO's initial rule change request, the specific list of metering types unintentionally excludes Victorian AMI meters from SSP eligibility. This exclusion arises because Victorian AMI meters, although capable of remote data acquisition, are designated as type 5 under the Orders in Council. Amending the Orders in Council to reclassify Victorian AMI meters could involve a time-intensive process and may not align with the original regulatory intent for these installations and the scope of the Orders.

Uncertainty in the implementation of the final rule is likely to add confusion to the progression of AEMO procedure consultation, system development and preparation for rule implementation.

### 3.2. Tables in NER Schedule 7 – administrative errors

A number of changes were required to NER Schedule 7 to accommodate the creation of new metering types, 8A, 8B, and type 9. These requirements are necessarily technically complex, dealing with requirements for Metering Data Providers, Metering Providers and Metering Coordinators.

AEMO has identified minor administrative errors in two of the amended tables in NER Schedule 7, specifically:

- The table in NER S7.2.2.2 identifies the new registration category for Metering Providers and specifies that for type 8 metering installations, under the category of 8M, the requirements include the use of Class 1.0 Wh meters and class 2 Wh meters (with uncertainty factors). This does not cater for the variation between type 8A and 8B metering installations, specifically missing class 1.5 Wh meters that are required to meet the overall error for type 8A in NER Table S7.4.3.5
- The table in NER S7.2.2.2 details the registration category for Metering Providers and specifies the competencies required under the categories of 4A and 4S. The current drafting does not cater for reactive power which is a requirement as specified in the overall accuracy requirements of Table S7.4.3.4 for these metering installation types.
- The table in NER 7.3.2.1 includes two new categories for the accreditation of Metering Data Providers for type 8 and 9 metering installations. The drafting uses the identification of Category 8M and 9M, which are the identifiers used for Metering Providers in Table 7.2.2.2. The identifying category for Metering Data Providers is typically to postfix "D" to the metering type number, providing clear separation between the types of accreditations.

## 4. How the Proposal will address the issues

### 4.1. How the proposal will address the issues

AEMO proposes a minor modification to NER 7.2.6(b)(3), replacing the specific list of metering types with a functional requirement for remote acquisition capability. This change would ensure that Victorian customers can access SSPs and enjoy the flexible trading benefits intended by the rule change, without impacting the original intent or effectiveness of the settlement arrangements or requiring a change to the Orders in Council.

AEMO proposes minor changes to the tables in NER S7.2.2.2 and S7.3.2.1 to resolve the administrative discrepancies identified in the final rule drafting.

### 4.2. AEMO Procedure changes

AEMO has not identified any material change to procedures and guidelines that would result from the change proposed, noting that consultation on AEMO procedures related to the Rule are yet to commence (due for publication on 30 September 2025, with rule commencement in November 2026).

## 5. Proposed Rule

### 5.1. Description of the proposed Rule

To address the issues identified, AEMO proposes modifications to the NER as follows:

#### 5.1.1. NER 7.2.6(b)(3)

To state:

*“the metering installation for the connection point for the premises supports the remote acquisition of trading interval metering data; and”*

This amendment ensures that all metering installations with remote acquisition capability and trading interval data support the requirements for SSPs, including Victorian AMI metering installations. This change aligns with the current rule’s objective, ensuring accurate settlement while allowing Victorian consumers to participate fully in CER flexibility.

#### 5.1.2. NER Schedule 7 Table 7.2.2.2

To state (additions in blue):

**Table S7.2.2.2 Categories of registration for accreditation**

Category	Competency
4A	Class 1.0 Wh meters and class 1.5 Wh meters with $<0.3/\cos\phi$ % uncertainty and class 2.0 varh meters and class 3.0 varh meters with $<0.5/\sin\phi$ % uncertainty.
4S	Class 1.0 Wh meters and class 1.5 Wh meters with $<0.3/\cos\phi$ % uncertainty and class 2.0 varh meters and class 3.0 varh meters with $<0.5/\sin\phi$ % uncertainty.
8M	Class 1.0 Wh meters and class 1.5 Wh meters and class 2 Wh meters with meters with $<0.3/\cos\phi$ % uncertainty.
9M	Class 1.0 Wh meters and Class 1.5 Wh meters with $<0.3/\cos\phi$ % uncertainty.

The changes for categories 4A and 4S are required as the competency must align with the overall accuracy requirements of Table S7.4.3.4 which factor in reactive power. This enables two potential scenarios:

- Meter 1 LVCT Connected = Class 1 Wh / 2 varh + CT class of 0.5%; or
- Meter 2 Whole Current = Class 1.5 Wh / 3 varh

The changes for category 8M are required as the competency must encompass the overall accuracy requirements of both type 8A and 8B, which differ, and can be applied in the following scenarios:

- Meter 1 LVCT Connected = Class 1 Wh / 2 varh + CT class of 0.5%;
- Meter 2 Whole Current 8A = Class 1.5 Wh; or
- Meter 3 Whole Current 8B = Class 2.0 Wh.

### 5.1.3. NER Schedule 7 Table 7.3.2.1

To state (deletions in red, additions in blue):

**Table S7.3.2.1 Categories of registration for accreditation**

<i><b>Metering installation type</b></i>	<b>Categories of registration</b>	
1, 2, 3, 4, 8A, 8B and 9	Category 1D, 2D, 3D, 4D, 8MD and 9MD (for <i>remote acquisition, processing and delivery of metering data for connection points</i> )	Category 4S (for <i>small customer metering installations</i> in relation to <i>remote acquisition, processing and delivery of metering data for connection points</i> )

This amendment better aligns the category identifiers with others associated with Metering Data Providers and removes the duplication of the identifier used for Metering Providers in NER table S7.2.2.2.

## 5.2. How the Proposed Rule Contributes to the national electricity objective (NEO)

Before the AEMC can make a change to the NER it must apply the rule making test set out in the NEL, which requires it to assess whether the proposed rule will or is likely to contribute to the National Electricity Objective (NEO). Section 7 of the NEL states the NEO is:

*... to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity with respect to –*

*(a) price, quality, safety, reliability and security of supply of electricity; and*

*(b) the reliability, safety and security of the national electricity system; and*

*(c) the achievement of targets set by a participating jurisdiction –*

*(i) for reducing Australia's greenhouse gas emissions; or*

*(ii) that are likely to contribute to reducing Australia's greenhouse gas emissions.*



AEMO considers that the proposed change to NER 7.2.6(b)(3) would contribute to the NEO as follows:

- **Equitable Consumer Access** – The change allows Victorian customers to participate in SSPs, aligning with the rule’s intent to provide flexible trading opportunities across the NEM.
- **Administrative Simplicity** – By using a functional criterion rather than a prescriptive list, the rule avoids potential conflicts with region-specific regulatory classifications, such as those in Victoria, and enhances clarity for market participants.
- **Alignment with Settlement Integrity** – The rule change does not alter the remote acquisition requirement, preserving the accuracy and efficiency of subtractive settlement processes while expanding accessibility.

This rule change request seeks a minor, functional and administrative modification to NER 7.2.6(b)(3) that will enable Victorian customers with AMI installations to access SSPs, in line with the original intent of the “Unlocking CER Benefits through Flexible Trading” rule change. This adjustment maintains the rule’s focus on remote data acquisition capabilities while providing equitable access to the benefits of flexible trading.

AEMO considers that the amendments to tables in NER Schedule 7 are required to remove potential confusion in the approach to accreditations for the operation of type 8 and 9 metering installations, and to correctly align requirements for metering installation competency – necessary foundations to ensure the veracity of the NEM metering framework and for the successful adoption of the new metering installation types.

### 5.3. Expected benefits and costs of the proposed Rule

The proposed changes are reflective of the AEMC’s final determination for Unlocking CER Benefits Through Flexible Trading and are minor and administrative in nature. As a result, no negative consequences are anticipated.

The expected benefits of the proposed changes are:

1. **Clear direction for participants involved in AEMO procedure development and consultation:** AEMO will commence consultation on procedures and system changes necessary to implement the rule in accordance with the timeframes in the final determination. Adopting the requested changes would provide clarity for parties engaged in that consultation, ensure alignment between the rule and the procedure consultation outcomes, and provide certainty on the implementation of the rule in Victoria, in order that parties can plan accordingly.
2. **Inclusive Market Access:** By refining NER clause 7.2.6(b)(3) to allow for Victorian AMI installations designated as type 5 to qualify for SSPs, the proposed change ensures that Victorian consumers can fully benefit from flexible trading arrangements. This aligns with the original intent of the rule and promotes equity in market access across different jurisdictions.
3. **Avoids Disparity:** The change prevents a situation where Victorian consumers are inadvertently disadvantaged compared to consumers in other states, supporting a level playing field in the NEM.
4. **Technical accuracy:** The changes to the tables in NER Schedule 7 ensure consistency in the required competency for NEM metering installations and provides parties with confirmation of

the technical requirements related to the new metering types, removing potential barriers to their adoption.

5. **Regulatory Misalignment:** The current exclusion of Victorian AMI installations and minor administrative errors in NER Schedule 7 could create ongoing confusion and inconsistency in market operations, leading to inefficiencies.

## 5.4. Transitional matters

No transitional provisions are required as the implementation of these proposed changes will not affect the planned rule change implementation of November 2026. AEMO will utilise the proposed functional criterion rather than a prescriptive list in NER 7.2.6(b)(3) so that procedures align with the NER in the case that the AEMC is minded to progress this proposal. Similarly, AEMO will use reference to Metering Data Provider registration categories of 8D and 9D in anticipation of the administrative change.