

MULTIPLE TRADING RELATIONSHIPS RULE 2015 CONSULTATION: AEMO SUBMISSION



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1. INTRODUCTION

AEMO welcomes the opportunity to provide a submission on the AEMC's consultation paper on the Multiple Trading Relationships (MTR) Rule 2015.

AEMO understands that the AEMC is seeking further information from interested parties in order to consider the potential to facilitate MTR at individual customer premises.

AEMO notes that the development of the Expanding Competition in Metering and Related Services (Metering Competition) rule change and consultant reports commissioned by the AEMC to assess the MTR rule change proposal have identified matters not considered in depth in AEMO's rule change proposal and associated documents.

This submission responds to the questions below from Question 7 - Metering arrangements in the AEMC's consultation paper:

1. What issues could arise for Metering Coordinators as a result of MTR? What issues arise for MTR as a result of the role of Metering Coordinators?
3. Could multi-element meters support MTR at a lower cost to consumers than other metering configurations? Are there limits or barriers to stop Metering Coordinators installing meters?
4. Can multi-element meters be supported by existing AEMO and participant IT and settlement systems? Would a requirement on AEMO and participants to support multi-element meters create costs for participants? What is the extent of these costs?

AEMO has identified three specific matters raised by the AEMC for discussion, where additional input from AEMO at this time may be beneficial:

- Issues arising from the creation of the Metering Coordinator role;
- AEMO system requirements; and
- Metering configurations.

2. METERING COORDINATOR

AEMO considers the Metering Coordinator (MC) to be instrumental in the progression of MTR, however specific technical matters arise when considering the development of the Metering Competition rule change and matters raised in the consultant reports on the MTR rule change proposal. Specifically, these relate to the potential for lock-in of metering service provision due to the interplay of MC, Metering Provider (MP), the provision of the metering device(s) itself and MTR.

The MC model allows, in principle, for the MTR service to be set up with various metering types and configurations, including multi-element metering and even the separation of data streams within one metering installation. Whilst these metering configurations may offer the most efficient solutions to the provision of MTR, they create an inherent risk of locking-in the installed metering equipment to the metering installation, which may conflict with the broader principles of the Metering Competition rule change.

For example, where a single metering device with multiple elements is being used to support MTR, with different retailers associated with each element, the market roles can change at

the NMI, however the metering equipment itself is effectively locked in to facilitate those changes. Unbundling the metering devices from the incumbent provider would most likely require some degree of rewiring at the customer's installation, with the short term cost to the customer presenting a barrier to change and therefore limiting potential competition in metering.

AEMO considers that the application and rules to support the use of a single metering installation for MTR should be considered in light of the potential conflict with the outcome of the Metering Competition rule change, once the final determination for that rule change is made.

3. AEMO SYSTEM REQUIREMENTS

AEMO systems and the National Electricity Rules require a unique NMI to be registered for each metering installation, and for specific roles to be appointed to that NMI in MSATS. If the use of multi-element metering does not alter those arrangements, there should be no fundamental changes required to AEMO systems to support multi-element metering over other types of MTR configurations.

AEMO notes that it is important to consider how the meter serial number will be assigned when a single metering device is being used to support more than one NMI, for AEMO and industry systems and asset management practices, and to allow consideration of standards for metering devices in Australia.

4. METERING CONFIGURATIONS

When considering the application of multi-element metering, it is equally important to consider technical complexities that could arise when extending the concept of a single metering installation supporting MTR. In particular the concepts of separating data streams within one metering installation and segmentation of data streams, where segments of a single data stream are allocated to multiple retailers.

Adopting these configurations within the MTR model could have impacts on the validation and substitution of metering data which is critical to the energy settlement process as well as retailer and network billing. To perform the critical functions of validation and substitution of meter data accurately, Metering Data Providers (MDPs) need access to a complete set of historical data and understand the category, or type, of customer profile. MDP's may not have access to all data needed for validation and substitution where there are multiple data streams allocated to different retailers or where a single data stream is allocated to multiple retailers. Therefore, potential impacts of segmented and separation of data streams may include:

- Data integrity issues: the inability for MDPs to substitute and forward estimate metering data accurately, which is required to support retail billing, network billing and market settlements;
- Increasing material metering inaccuracies as the ability for MDPs and AEMO to validate metering data may be compromised; and
- Increased risk of non-technical losses of energy due to errors or interference with the metering installation being undetected due to, amongst other things, the validation and substitution matters raised above.

These issues could become increasingly complicated if multiple MDPs were able to be appointed for the one metering installation.

The technical considerations may become clearer once the Metering Competition rule change is finalised.