



ACTIVESTREAM

28 January 2016

**Mr Richard Owens**  
**Australian Energy Market Commission**  
**PO Box A2449**  
**Sydney South NSW 1235**

Lodged online: [www.aemc.com.au](http://www.aemc.com.au)

Dear Mr Owens,

**RE: Consultation to Rule Change Request – Updating the Electricity B2B Framework (Reference: ERC0197)**

Active Stream Pty Ltd (**Active Stream**) welcomes the opportunity to provide a submission to the Australian Energy Market Commission (**AEMC**) in response to its Consultation Paper on Updating the Electricity B2B Framework rule (**the Consultation Paper**).

Active Stream is an accredited Meter Provider and Meter Data Provider, which delivers digital meters and data services to energy retailers, distributors, and other businesses in the National Electricity Market (NEM). Established in 2014, Active Stream is a wholly-owned subsidiary of AGL Energy Limited. Our digital metering solutions enable businesses to fully realise the benefits of advanced metering technology to deliver their services more efficiently and offer innovative products which better meet the needs of current and future energy consumers.

As a metering services provider operating in the NEM, we support the approach of an industry-led governance committee. We also affirm our view that those with a commercial business case have a vested interest in the development of efficient and effective communications, and the delivery of innovative services at least cost. As such these commercial businesses should contribute to the development of the B2B framework.

Active Stream acknowledges the proposals from Lumo Energy and Red Energy (Lumo/Red), and the Council of Australian Government's Energy Council (COAG EC). We agree that each have positive elements which Active Stream would support.

However, neither proposal, in its entirety, provides the best possible solution in our opinion. As such, we suggest that a combination of the two proposals be considered further. Our position on the main sections is set out below.

**Industry-led Governance Committee**

Active Stream agrees that the existing arrangements put in place under the auspices of the Information Exchange Committee (IEC) are no longer appropriate, and welcomes

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the appointment of metering service businesses<sup>1</sup> as a fixed representative under both the Lumo/Red and COAG EC proposals.

However, given the dynamic business models that are expected to arise as a result of metering competition, we do not believe the proposed model by the COAG EC will provide a sufficient voice to metering service businesses. This is because not all metering service businesses will operate in the NEM as an accredited Metering Provider, Metering Data Provider and Metering Coordinator<sup>2</sup>.

Active Stream, is therefore more supportive of the proposal by Red/Lumo, which provides two fixed positions to metering service businesses. We note though, that Red/Lumo's proposal also seeks to introduce a restriction on subsidiary businesses, where its parent company or other related business, is successfully appointed to the governance group. Our understanding of this restriction, is that as a wholly owned subsidiary of AGL Energy, we would be unable to obtain a seat if AGL Energy were appointed.

As a NEM accredited Metering Provider and Metering Data Provider business, we are already required to meet very stringent accreditation requirements set by AEMO. These requirements separate our operations, resources and services provided, from the AGL Energy business. Active Stream considers that any further restrictions are unnecessary, and if implemented, has the potential to create barriers to entry, innovation and efficiencies required to support a market led rollout approach.

### **B2B Procedural Development, Decision-making and Cost Recovery**

Active Stream is generally comfortable with both of the proposals presented by Red/Lumo and the COAG EC. On balance, we would prefer that the industry governance group consider the National Electricity Objective as part of its decision-making process and therefore favour the Red/Lumo model.

We do however, note that there are some additional aspects of the COAG EC proposal which should be implemented irrespective of the final approach. This includes:

- ensuring AEMO is accountable for its decisions on B2B Procedural recommendations that are presented by the governance group, by mandating that AEMO rationalise and publish its decisions; and
- creating a new registered participant class for third party B2B participants.

If you would like further details or clarification on our views, please don't hesitate to contact me on [JRClark@activestream.com.au](mailto:JRClark@activestream.com.au).

Yours sincerely,

Jason Clark  
**General Manager – Active Stream**

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<sup>1</sup> Where metering service businesses include Metering Data Providers, Metering Providers and the newly created role of Metering Coordinators.

<sup>2</sup> Metering service businesses will hold accreditation in at least one of these roles but not necessarily all three roles.