

NEMMCO

**National Electricity Market
Management Company Ltd**

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Sydney Office

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Dr John Tamblyn
Chairman
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235
By email: submissions@aemc.gov.au

Dear Dr Tamblyn

National Electricity Amendment (Victorian Jurisdictional Derogation, Advanced Metering Infrastructure Roll Out) Rule 2008

Thank you for the opportunity to comment on the AEMC's Draft Determination on the above Rule change proposal. NEMMCO supports the Draft Determination issued by the AEMC, in relation to this proposal, but has identified a number of matters relating to the draft Rule that require further clarification to allow effective implementation.

Details on the matters for clarification are attached and, where applicable, NEMMCO has suggested solutions for the AEMC's consideration. In recognition of the jurisdiction's model to have limited change, NEMMCO has only commented on issues where further clarity is considered to be essential to the application and intent of the determination.

NEMMCO would be pleased if you could have these matters considered by the AEMC and resolved as part of the final determination. If you wish to discuss any of the matters identified please do not hesitate to contact Craig Parr on (02) 8884 5030.

Yours sincerely



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Draft Rule Determination (Victorian Jurisdictional Derogation, Advanced Metering Infrastructure Roll Out) Rule 2008

Issue 1 – Data delivery performance

Rule 7.11.1 guides the performance requirements for Metering Data. Our reading of the draft Rule suggests that there is potential confusion over which delivery requirements apply under 7.11.1 with respect to the derogation. Clarification is therefore requested on what is intended by the proposed Rule 9.10.5(b) and its consistency with Rule 7.11.1.

Proposed Rule 9.10.5(b) states:

- (b) A relevant *metering installation* which is capable of *remote acquisition* but otherwise has features of a type 5 or type 6 *metering installation*, is taken to be a type 5 or type 6 *metering installation* (as the case may be).

The draft Rule allows for “relevant metering installations” to be Type 5 and have the capability for remote acquisition. Table S7.2.3.1 invokes Rule 7.11.1(d) for Type 5 metering installations, which is only applicable to metering installations that **do not** have the capability for remote acquisition and is therefore inconsistent with the draft Rule. This inconsistency should be resolved in the final Rule to ensure it reflects the outcome the AEMC is seeking to achieve. Some potential options for resolution of this matter are discussed below for consideration.

Rule 7.11.1 can operate in one of three ways as follows:

- (b) Where NEMMCO requires actual *metering data* to ensure compliance with Chapter 3, the *metering data* required under paragraph (a) must be:.....
- (c) Where NEMMCO does not require actual *metering data* to ensure compliance with Chapter 3, the *metering data* required under paragraph (a) must be:.....
- (d) Where the metering installation does not have the capability for *remote acquisition* of actual metering data, metering data is required:.....

Option 1: Allow for two stages of delivery in accordance with the Victorian project. Apply Rules 7.11.1(b) and 7.11.1(d) to the “relevant metering installations”, over different timeframes. This option would require the derogation to consider:

- Amendment to Table S7.2.3.1 for Type 5 metering installations to include a reference to Rule 7.11.1(b) for the relevant metering installations.
 - Application of Rule 7.11.1(d) can be applied if paragraph (d) is derogated to apply to January 2012 to the relevant metering installations. This would conceivably be consistent with the Victorian AMI Industry program up to 1

January 2012 where flexibility in the collection performance of the metering data is requested.

- Rule 7.11.1(b) can be applied if paragraph (b) is derogated to apply from January 2012 to the relevant metering installations. This would conceivably be consistent with the Victorian AMI Industry program from 1 January 2012 when daily remote collection of the previous day's metering data is mandated. This would also be in the best interests of the market for the provision of actual metering data for settlement timeframes.

Option 2: Apply Rule 7.11.1(c) delivery requirements, which relates to metering installations that have the capability for remote acquisition and where *NEMMCO* does not require actual metering data for settlements. This option would require the derogation to consider

- Amendment to Table S7.2.3.1 for Type 5 metering installations to include a reference to Rule 7.11.1(c) for the relevant metering installations.
 - Rule 7.11.1(c) has never been utilised and the relevant requirements will need to be included in the metrology procedure. To implement this option would have significant impacts on the Victorian jurisdiction's project timeframes for the AMI Rollout.
 - Application of Rule 7.11.1(c) to the "relevant metering installations" would conceivably be inconsistent with the Victorian AMI Industry program from 1 January 2012 when daily remote collection of the previous day's energy data is mandated and actual metering data would be available for settlements.

Option 3: Apply Rule 7.11.1(d), which relates to *metering installations* that do not have the capability for remote acquisition and where the performance of data delivery is stipulated in the metrology procedure. This option would require the derogation to consider

- Amendment to the proposed derogation to maintain the application of Rule 7.11.1(d) for all Type 5 metering installations, regardless of whether the metering data is collected manually or by remote acquisition.
 - Application of Rule 7.11.1(d) to the "relevant metering installations" would conceivably be inconsistent with the Victorian AMI Industry program from 1 January 2012 when daily remote collection of the previous day's energy data is mandated and actual metering data would be available for settlements.

NEMMCO suggests that option 2 is least preferred, but would recommend the AEMC discuss the preference of option 1 or 3 with the proponents and stakeholders.

Issue 2 – Definition of remote acquisition and relevant metering installations

Clarification to the application of the Rules definition of remote acquisition is required for it to be consistent with the Type 5 processes detailed in the metrology procedure.

The definition of remote acquisition is as follows:

“The acquisition of interval metering data from a metering installation, where the acquisition process transmits the metering data from the site of the metering point to the metering database, and does not, at any time, require the presence of a person at, or near, the interval meter for the purposes of data collection or data verification (whether this occurs manually as a walk-by reading or through the use of a vehicle as a close proximity drive-by reading), and remote acquisition includes but is not limited to methods that transmit metering data via:

- (1) direct dial-up;
- (2) satellite;
- (3) the internet;
- (4) a general packet radio service;
- (5) power line carrier; or
- (6) any other equivalent technology”

The metrology applied to Type 5 and Type 6 metering installations is based on the collection of metering data from the metering installation being first placed into a metering installation database¹ where data is estimated, substituted and validated before delivery to NEMMCO and the metering database. That part of the definition stating “from the site of the metering point to the metering database” is, therefore, incorrect for the remote acquisition of data from these “relevant metering installations”.

The derogation therefore needs to clarify that the application of this term to the remote acquisition of metering data from these “relevant metering installations” must also be interpreted as applying from the metering point to the metering installation database.

NEMMCO suggests that the derogation should amend the definition of remote acquisition for the purposes of a relevant metering installation so that it is database neutral and for clarity read as follows:

“The acquisition of interval metering data from a metering installation, where the ~~acquisition process transmits the~~ metering data **is transmitted** from the site of the metering point ~~to the metering database~~, and does not, at any time, require the presence of a person at, or near, the interval meter for the purposes of data collection or

Issue 3 – Approval and performance of private telecommunications networks

NEMMCO is currently responsible for the remote acquisition of metering data (see Rule 7.9.2(a)). This obligation has been managed by NEMMCO through the utilisation of “Metering Data Agents”, who have demonstrated systems in place that ensure the integrity and accuracy of metering data. The remote acquisition of metering data has been undertaken through the use of established public telecommunications networks which, in

¹ Metering installation database as defined within the *metrology procedure* Part A.

turn, are subject to federal laws that require a minimum level of availability, performance, confidentiality and security.

The proposed derogation enables the remote acquisition of metering data for the relevant metering installations to be managed through a private telecommunications network for which there are no obligations defined.

NEMMCO has commented in an earlier submission on LNSP exclusivity, and it is of concern that there are no obligations on the LNSP system to deliver performance and manage confidentiality and security. NEMMCO is of the view that a Metering Provider utilising an LNSP's system to undertake the remote acquisition of metering data should be able to demonstrate or provide evidence to the effect that the necessary controls are in place to provide for the confidentiality and security of metering data and that the 'network operator' can support the required system availability and performance. This evidence can be reviewed as part of NEMMCO's accreditation of Metering Providers who are seeking to undertake this category of service provision.

This requirement would be consistent with:

- (a) the obligations on the responsible person to demonstrate this to NEMMCO under Rule 7.8.1(a);
- (b) NEMMCO's obligations under Rule 7.3.5(e) in respect of the rules and protocols used in respect of a data collection system; and
- (c) the requirement for NEMMCO to approve alternative telecommunications networks as permitted by the definition of 'telecommunications network'.

NEMMCO suggests the derogation include an amendment to Rule S7.4.4 (a) as follows:

Metering Providers, who apply for categories of Metering Provider accreditation of metering installations types 5, 6 and / or 7, must be able to exhibit, to the reasonable satisfaction of NEMMCO:

- (a) All of the capabilities relevant to that type of *metering installation* which are included in clause S7.4.3 and be able to demonstrate that controls are in place which ensure the confidentiality, security, performance and availability of any data collection system in use by the Metering Provider;