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Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Via online submission

Jemena Electricity
Networks (Vic) Ltd
ABN 82 064 651 083

321 Ferntree Gully Road
Mount Waverley VIC 3149
Locked Bag 7000
Mount Waverley VIC 3149
T +61 3 8544 9000
F +61 3 8544 9888
www.jemena.com.au

Dear Mr Pierce,

ERC0179: Draft Rule Determination on National Electricity Amendment (Embedded Networks) Rule 2015

Jemena Electricity Networks (**JEN**) welcomes the opportunity to respond to the Australian Energy Market Commission's draft rule determination on the proposed National Electricity Rule change relating to embedded networks (**proposed rule**).

In principle, JEN supports the proposed rule change; fundamentally, we see the creation of the new embedded network manager role—to perform market interface functions for customers in embedded networks—and new processes facilitate broader access to competitive retail market offers. We note, however, that the draft amendments could result in an unintended gap in market operations.

The draft rule proposes to amend¹ the existing clause 7.3.1(e) by inserting the words 'on its network' as outlined below:

(e) The *Local Network Service Provider* must issue for each *metering installation on its network* a unique *NMI*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

Given the definitions of network² and embedded network³, it is not clear whether the Local Network Service Provider (**LNSP**) will continue to be responsible for issuing NMIs for metering installations in embedded networks where the parent-child relationship does not exist. This situation occurs, for example, where a multi

¹ Draft National Electricity Amendment (Embedded Networks) rule 2015, Schedule 1 – Amendment to National Electricity Rules p7.

² *Network* - The apparatus, equipment, plant and buildings used to convey, and control the conveyance of, electricity to customers (whether wholesale or retail) excluding any *connection assets*. In relation to a *Network Service Provider*, a *network* owned, operated or controlled by that *Network Service Provider*.

³ *Embedded network* - A *distribution system*, connected to either a *distribution system* or *transmission system* that forms part of the *national grid* and which is **owned, controlled or operated by a person who is not a Network Service Provider** [Emphasis added].

occupancy real estate developer may not seek to establish a parent connection point – instead choosing to setup all metering installations in the embedded network as on-market meters. With no embedded network manager and the LNSP's responsibilities terminating prior to entering the premises, there is a risk these metering installations may not be assigned a national market identified (**NMI**).

We therefore propose that clause 7.3.1(e) should make it clear the LNSP is still responsible for issuing NMIs for each metering installation in the embedded network where there is no parent connection point.

We have no further comments on the draft rules. If you any questions in relation to this submission, please contact Siva Moorthy on (03) 9173 8774 or by email siva.moorthy@jemen.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Matthew Serpell', written in a cursive style.

Matthew Serpell
Manager Asset Regulation and Strategy