



# Purpose of the B2B Rule Change

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## Power of Choice

Work related to B2B and the IEC is part of a larger initiative. Alignment with *Power of Choice* is critical to achieving a sustainable long-term outcome.

- Empower consumers
- Enable embedded/green generation
- Encourage innovation in products and services
- Facilitate demand side participation
- Support the next generation of technology – EVs, Batteries, etc

## IEC Role

The AEMC have clearly identified that the IEC role is changing to support *Power of Choice*.

- Increased strategic and governance outcomes
- Increased breadth of expertise
- Decrease subject matter expertise (as a trade off for increasing other capabilities)

## Support other Rule Changes

B2B changes to support *Competition in Metering* and *Embedded Networks* rule changes.

- Minimum changes to meet the new rules. (Minimum Functional Specification, RP to MC)
- Updating existing B2B services to support smart meters (Efficiency gains)
- Updating existing B2B services to support ENMs (Efficiency gains)
- New B2B services (Never before offered via B2B services)

# IEC History & Proposed Future

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The IEC has been instrumental in creating the current environment

The IEC, and B2B, was created to support efficient communications between industry parties. It has done this effectively to date

- Developing initial B2B a decade ago
- Maintaining B2B since then, including supporting operational changes

The IEC is not appropriate for current changes.

The main reasons are

- Insufficient breadth: Metering, Consumer and other interests are not represented.
- The IEC's focus has changed from strategic and governance to subject matter expertise
  - Appropriate for Maintenance of B2B, but insufficient for major changes
- Lack of coordination between AEMO and the IEC

Does the proposed new IEC resolve these issues?

- Yes.
- Could other IEC structures do this? Yes.

Metropolis support the proposed structure because it will address the issues, and there is no evidence that any other proposed structure is fundamentally better.

# Supporting other Rule changes

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## Minimum Functional Spec

Optional build:

- Contestable Metering Providers (MP/MDP/MC) can elect to not offer these services.
- Any B2B participant can choose to not make use of these services, and thus not build for it.
- Any Metering Provider who chooses not to build MFS (or can't) is only impacting their own business.
- Any requestor who chooses not to build MFS (or can't) is only impacting their own business.
  - Incentives are aligned: efficient organisations benefit, inefficient organisations don't.
- (DNSPs can't change MPs that don't provide the service? Tough gig, but can negotiate for services.)

## Minimum to comply with Rule changes

Mandatory for all parties:

- Minimal changes
- AEMO and the old IEC have identified a set of changes required to comply.
- These were rejected by the old IEC as not being sufficient, however it's clear that the minimum compliance is very small.

## Changing B2B to support *Competition in Metering*

What services are of greatest value? What services can be implemented by 1-Dec-2017? What will wait?

- Not part of the rule change. This is entirely up to the new IEC to assess.
- Efficiency gains only
- Big value, but it is perfectly possible to operate without it.
  - 2001 till 2006, B2B didn't exist.
  - 1990ish till current, no B2B for contestable metering
- The new IEC will need to determine the services supported by B2B in this category.

# Supporting other Rule changes

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## Changing B2B to support *Embedded Networks*

- Not part of the rule change. This is entirely up to the new IEC to assess.
- Efficiency gains only
- Do not confuse B2B with B2M. MSATS updates are mandatory for ENM. B2B is just nice to have.
- ENM procedures will be a challenge – but not in this rule change.
- Big value, but it is perfectly possible to operate without it.
- The new IEC will need to determine the services supported by B2B in this category.

## New B2B services (Non-Mandated)

- Not part of the rule change. This is entirely up to the new IEC to assess.
- New capabilities, such as “Change network tariff”
- Value needs to be assessed.
- The new IEC will need to determine the services supported by B2B in this category.