



Implementation advice on the shared market protocol

Draft advice released for consultation

The AEMC has today released its draft advice on how a shared market protocol could be implemented in the National Electricity Rules (NER). A shared market protocol would provide a standard form of communication for energy companies seeking access to smart meters.

Background

A shared market protocol is a standard process for the communications sent between businesses accessing the services available through advanced metering infrastructure. The concept also includes the electronic platform used to send the messages between businesses.

Power of Choice review

This advice on implementing a shared market protocol is an important part of the suite of market reforms to the National Electricity Market that are underway following the AEMC's Power of Choice review. These reforms are aimed at improving opportunities for consumers to make more informed decisions about the way they use energy services.

One of the ways consumer choice is being improved is by addressing the market conditions and incentives required for distributors, retailers and other parties to offer new services and respond to consumer choice.

Open access and common communication standards

Following the Power of Choice review, the COAG Energy Council requested the AEMC to provide advice on a framework for open access and common communication standards that would support competition in services available to consumers. The AEMC's open access advice recommended that a shared market protocol be adopted to facilitate efficient communications between businesses offering services to consumers.

Introducing a shared market protocol framework was expected to promote competition in the market for advanced metering services by reducing barriers to entry for new energy service companies while not inhibiting innovation in the method of communications.

However, as there were interdependencies with the competition in metering rule change process, a related reform from the Power of Choice review, the AEMC could not provide advice on how a shared market protocol could be implemented at that time. The COAG Energy Council agreed that supplementary advice on implementing a shared market protocol would be provided at a later date. That is the subject of this advice.

Draft advice on implementing a shared market protocol

It is envisaged that communications for advanced metering services will need to be capable of 'near instant' speeds. This would enable, among other things, retailers to obtain a meter read during a customer telephone inquiry or a distributor to obtain a meter inquiry to determine the source of a power outage.

The existing IT platform (the business to business (B2B) e-hub) can be redeveloped to accommodate 'near instant' message capability without significant change to the existing B2B framework in the NER. Therefore, implementing a shared market protocol would involve:

- expanding and updating the B2B procedures to provide for new B2B communications that support advanced metering services; and
- redeveloping the B2B e-hub to support the new B2B communications.

The key features of the draft advice are set out below.

Governance arrangements

Considering the significant benefits of industry decision making with regard to the communications sent between businesses, the AEMC is recommending that an updated Information Exchange Committee (IEC) would be responsible for developing and maintaining the B2B procedures. The IEC framework would need to be updated to reflect a new membership, which would comprise of:

- two independent members, one of whom would be the chairperson;
- one distributor representative;
- one retailer representative;
- one representative for metering coordinators, metering providers and metering data providers;
- one third party B2B participant, being a B2B participant (see below) that is not a distributor, retailer, metering coordinator, metering provider or metering data provider;
- one consumer representative, appointed by AEMO in consultation with Energy Consumers Australia;
- two discretionary members, appointed by AEMO in consultation with the two independent IEC members; and
- one AEMO representative.

B2B procedures

In addition to the existing contents, the new B2B procedures would be required to support communications between parties relating to each of the services set out in the minimum services specification (to be defined as part of the competition in metering rule change process). B2B procedures may also include performance requirements for the B2B e-hub.

The B2B principles would be amended to include the existing B2B principles and some new principles. When making decisions about B2B procedures, the IEC would be required to have regard to the national electricity objective and the B2B principles.

B2B e-hub

The B2B e-hub would be required to support the B2B communications listed in the new B2B procedures and meet performance standards specified in the B2B procedures.

Obligations on parties

Distributors, retailers, metering coordinators, metering providers, metering data providers and third party B2B participants would be required to use the B2B e-hub for B2B communications, unless they have agreed between themselves to use an alternative method of communication. This would support interoperability as well as innovation as businesses may agree to use an alternative IT platform to the B2B e-hub.

A new accredited party role (B2B participant) would be established and all parties wishing to use the B2B e-hub would need to be accredited by AEMO as a B2B participant.

The operating costs associated with providing and operating the B2B e-hub, developing B2B procedures and establishing and operating the IEC would be paid through B2B participant fees.

Submissions requested

Stakeholder feedback is sought on all aspects of the draft advice. Submissions will inform the development of the final advice for consideration by the COAG Energy Council.

Submissions are requested to be provided no later than 5pm, Thursday 23 July 2015.

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25 June 2015