

ATTACHMENT A: Statement in support of request for changes to the Rules

Background

Prior to 1 July 2005 the National Electricity Code included a clause¹ requiring the Jurisdictional Regulators to jointly conduct a review of metering installations type 5 and 6, and of the metrology procedures. The report Joint Jurisdictional Review of the Metrology Procedures, (the JJR) provided as Attachment C to this request, was the jurisdictional regulators' response to this requirement.

The JJR made 44 recommendations of which 20 were tasked individually to NEMMCO, and five jointly to NEMMCO and the jurisdictional regulators.

NEMMCO's response to the JJR was published in a paper titled Metrology Harmonisation and Data Management Programme Plan² on 9 May 2005. Under the Metrology Harmonisation Programme (MHP), NEMMCO is progressively addressing the recommendations of the JJR through seven projects. This request to AEMC for amendment to the Rules is an outworking of the first of these seven projects.

The request for Rules has been split into four groups of changes for ease of presentation and explanation of how the requirements of the National Electricity Regulations are met:

1. Provide for a single metrology procedure to replace the separate existing national and jurisdictional metrology procedures;
2. Provide within Chapter 7 of the Rules scope for the Local Network Service Provider to be the party responsible for the metering installation without the need to renew derogations in Chapter 9 that will expire 31 December 2006;
3. To introduce changes within Chapter 7 that reflect specific recommendations from the Joint Jurisdictional Review which appear to be straightforward and uncontroversial; and
4. Make editorial changes within Chapter 7 that improve readability, correct errors, and recognise changes in the industry, such as the creation of the National Measurement Institute.

Design Principles

As a precursor to development of the request for Rules and the single NEM metrology procedure the design principles were developed for the outcomes of this project, and consulted with jurisdictional regulators and industry participants; the following design principles were used in the development of this request for a Rule and the associated NEM metrology procedure:

- Consistency with the National Electricity Law and the National Electricity Market (NEM) objective.
- Alignment with the JJR recommendations without re-visiting the assessments made in their review.

¹ National Electricity Code, Clause 7.13(f) [Amendment 6, 16 August 2001]

² Available at: <http://www.nemmco.com.au/meteringandretail/640-0082.htm> [Accessed 24 January 2006]

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- NEMMCO is to be responsible for establishing and maintaining the metrology procedures, and a mechanism is to be established for the injection of jurisdictional specific policy decisions as per recommendation 3.2(d) of the Joint Jurisdictional Review.
- Where a procedure is identified in the Rules, it is to specify the key attributes of that procedure so as to clearly define its scope, which may include technical and business process attributes. Non-technical matters that are to apply in each jurisdiction, such as consumer protection requirements are to continue to be the responsibility of each jurisdictional regulator.

The Rules change proposals contained in this submission are consistent with the above principles.

Draft of proposed amended Rules

Attachment B (Rules change proposals) provides a notated version of Chapter 7, Chapter 9 and the Glossary containing a specific explanation against each clause where a change has been made. The explanation (in bold blue text) is located after each proposed change or set of changes. These explanations have been retained in the document to assist the AEMC and industry generally in their review of the proposed changes.

Power to make Rule

Each of the requested Rules involves amendment to areas of the Rules that were contained within the National Electricity Code and in effect in the Code immediately prior to the commencement of the Rules. Therefore the AEMC has the power to make the requested amendments under Clause 36 of Schedule 1 of the NEL as they are a matter or thing that is the subject of, or is of a kind dealt with by, a provision of the National Electricity Code as in operation and effect immediately before the commencement of section 12 of the National Electricity (South Australia) (New National Electricity Law) Amendment Act 2005 of South Australia.

Industry and jurisdictional support

The request for Rules and the draft NEM metrology procedure have been developed in consultation with the jurisdictional regulators, and with input from industry groups, such as the Metrology Reference Group (industry representation at an operational level) and the Retail Market Executive Committee (industry representation at an executive level).

NEMMCO has received support from the above parties to put forward these requests to make a Rule. NEMMCO notes that some of the above parties reserved their position in relation to making submissions to the AEMC during the public consultations stages of the Rule making process. In particular, the request for a Rule labelled A2, below, attracted a diverse range of comments from which NEMMCO was unable to establish a consensus position.

The four groups of request for a Rule follow, labelled as A1, A2, A3, and A4:

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A1. Provide for a single metrology procedure to replace the separate existing national and jurisdictional metrology procedures

This request for a Rule provides for a single metrology procedure to replace five jurisdictional and 4 NEM metrology procedures; adoption of these change proposals will address recommendations 3.2(c), 3.2(d), 3.3, and 11.3(b)(iii) of the JJR report.

a) *Statement of issues concerning the existing Rules and how the proposed Rule addresses this issue.*

Current metrology procedures provide for “large”³ and “small”⁴ metering installations. These requirements are contained within nine separate documents, and for “small” consumers vary between jurisdictions. The requirements for Type 5 and Type 6 metering installations applied to “small” consumers are currently published and maintained by jurisdictional regulators within their individual jurisdictions.

The differences in metrology requirements across jurisdictions are currently “buried” within individual instruments and are not transparent to industry participants, regulators, or policy makers.

A single NEM metrology procedure will make metrology differences between jurisdictions transparent, and reduce compliance costs and risks to retailers and service providers who wish to operate across jurisdictional boundaries.

The creation of a draft single metrology procedure has resulted in the analysis of differences in wording, and encouraged alignment of minor textual differences within the draft. In the longer term it is anticipated that the publication of jurisdictional differences within a single document will focus industry attention on the value of maintaining the differences.

b) *Description of proposed Rule*

The Rules change proposals provide for the formation of a single NEM metrology procedure, with variations between jurisdictions recorded within the single instrument. The proposals abolish the jurisdictional regulators’ role as “metrology coordinator”, with responsibilities previously undertaken by the jurisdictional regulators being shared between NEMMCO (administrative functions) and jurisdictional Ministers (policy functions).

A clause is provided to facilitate synchronisation of the effective date of the NEM metrology procedure with the gazettal date of the Rules change.

The following changes to the Rules are proposed:

- Clause 7.2.1B: New clause to assign responsibility for the metrology procedure to NEMMCO in accordance with JJR recommendation 3.3.
- The transfer of paragraphs (ba), (bb), (g) and (o), which are specific to the metrology procedure, from clause 7.3.1 to the new clause 7.3.2A, including appropriate adjustments. At the same time, the deletion of clauses 7.3.1 (bc),

³ Consumers with energy volumes greater than 100 to 160 MWh per year (threshold varies between jurisdictions).

⁴ Consumers below the threshold for a “large” consumer in that jurisdiction.

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(bd), (h), (i), (j), (k), (l), (m) and (n), which were specific to the jurisdictional Metrology Coordinators and are no longer required.

- Clause 7.3.2A(a): Which provides for the metrology procedure to become effective at the time of gazettal of the proposed changes to the Rules, where NEMMCO assumes responsibility for the metrology procedure for the first time.
- Clause 7.3.2A(b)(1): Specifies the mandatory contents for the metrology procedure.
- Clause 7.3.2A(b)(2): Specifies the role of NEMMCO to develop a metrology procedure.
- Clause 7.3.2A(b)(3): The conditions for the metrology procedure to become 'effective'.
- Clause 7.3.2A(b)(4): The prohibition on metrology procedures containing consumer protection matters, as per JJR recommendation 3.2(c).
- Clause 7.3.2A(c)(1): Provision for a Minister to manage the form by which a participating jurisdiction may influence the content of the metrology procedure, as per JJR recommendations 3.2(d) and 11.3(b)(iii).
- Clause 7.3.2A(c)(2): Further information on the possible content of the metrology procedure.
- Clause 7.3.2A(d): The flexibility for a 'Minister' to delegate matters of policy needed to be introduced into a metrology procedure, as a follow on from clause 7.3.2A(c)(1).
- Clause 7.3.2A(e): Relationship to National Measurements Act. Transfer from existing clause 7.3.1(bb).
- Clause 7.3.2A(f): Fast tracking for minor changes to metrology procedure. Transfer from existing clause 7.3.1(g) with appropriate changes.
- Clause 7.3.2A(g): Transfer from existing clause 7.3.1(o) with suitable changes, including the principles for NEMMCO to adopt when receiving a request to change the metrology procedure from any person (including a Minister).
- Clause 7.9.3(a): Consequential changes to Metrology Coordinator.
- Glossary term "metrology procedure": Various changes proposed of a consequential nature.
- Schedule 7.2: Consequential changes to the notes (notes 3, 3a, 3b, 4, 4b and 5) in Table S7.2.3.1 to replace the role of the Metrology Coordinator with a Minister, and other associated changes.
- Glossary term "energy data services": Proposed new term.

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- Glossary term “interested parties”: Delete reference to Chapter 7 within this definition.
- Glossary term “jurisdictional policy directive”: Proposed new term.

c) Why the proposed Rule meets the national electricity market objective

The proposed Rule would better meet the NEM objective than the current Rules by:

Promotion of efficient use of electricity services:

The number of metrology procedures and the variation in wording used for essentially similar requirements magnify the compliance risk to retailers and service providers, and acts as a disincentive to operate outside their home jurisdiction.

The proposed Rule will bring the metrology framework for the NEM into a single document, making jurisdictional metrology differences transparent, and assist retailers and service providers to manage compliance across jurisdictional boundaries.

The harmonised NEM metrology procedure is a precursor to work being undertaken to harmonise first tier and second tier metrology requirements into a single NEM metrology framework. Ultimately, a single metrology framework for first and second tier metering installations will facilitate the transfer of consumers between local retailers and second tier retailers without the need for changes to the metering installation.

Promotion of efficient investment:

Harmonised metrology requirements across the NEM will assist metering manufacturers to deliver common products that meet all jurisdictional requirements. It will also facilitate investment by metering providers and metering data providers by reducing the risks of investing and operating across jurisdictional boundaries, thereby promoting competition for service provision.

Long term interests of consumers:

The JJR makes reference to concerns expressed by the ACCC “...that the benefits of FRC would be reduced without nationally consistent metrology procedures.”⁵ Submissions to the JJR⁶ also expected economies of scale and reduced compliance costs to flow from a harmonisation of metering-related instruments.

It is assumed that reduced costs will eventually flow to consumers through the benefits of competition, and hence are in the long-term interests of consumers.

⁵ JJR (Attachment C), p.33

⁶ JJR (Attachment C), p.35

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A2. Provide within Chapter 7 of the Rules scope for the Local Network Service Provider to be the party responsible for metering installations of Type 5, Type 6, and Type 7 without the need to renew derogations in Chapter 9.

This request for a Rule provides for the Local Network Service Provider (LNSP) to have exclusive responsibility, as the Responsible Person, for Type 5, Type 6, and Type 7 metering installations, and facilitates the economic application of Type 4 metering installations to consumers with low energy volumes, and enhances contestability of service provision to these metering installations.

This request for a Rule broadly addresses recommendations 4.2, 4.3 and 4.8 of the JJR report. Following the publication of the JJR, the ACCC issued a Code authorisation⁷ which canvassed some of the issues relating to the above recommendations. NEMMCO sought guidance from a meeting of jurisdictional regulators held 14 September 2005 as to whether the JJR recommendations should be influenced by the ACCC authorisation. Based on the guidance received, NEMMCO prepared this request for a Rule to meet the following design principles rather than the strict wording of the JJR recommendations:

- Provides the opportunity for a retailer (as Market Participant) to take responsibility for, and arrange for the installation of meters with remote communication for any consumer, where the retailer believes this is economically justified.
- The LNSP has exclusive rights to be responsible for the types 5, 6 and 7 metering installations and can use this platform to introduce investment in metering based on economies of scale.
- The LNSP is in the unique position to extend its role as responsible person to metering installation types 1 to 4, and in doing so increase its “economies of scale investment”, subject only to its service being commercially attractive (particularly on price and service quality) to any retailer.
- The requirement for the LNSP to present a commercially attractive package to a retailer for metering installation types 1 to 4 provides the retailer with an efficiency driver on the LNSP to be confident that the LNSP will manage costs in a prudent manner and keep abreast of evolving technologies that will enhance the retailer’s ability to service its customers.
- There is nothing in the proposed changes to Chapter 7 that prevents an LNSP from “winning” the ability to be the responsible person for all metering installations within its area.

Industry has expressed a very wide diversity of positions in regard to this group of proposed Rules changes (A2). However, the generally accepted industry position is that the issues need to be addressed with a Chapter 7 Rule, and not by renewal of the derogations on a jurisdiction-by-jurisdiction basis.

⁷ ACCC Authorisation of Victorian metering derogations, March 2005 (Attachment D)

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a) Statement of issues concerning the existing Rules and how the proposed Rule addresses this issue.

The existing Rules, at Chapter 7, provide that the Responsible Person may be the LNSP or the Financially Responsible Market Participant (FRMP), and that the determination of Responsible Person is made by the FRMP.

Jurisdictional derogations for Victoria, New South Wales, Australian Capital Territory, and South Australia in Chapter 9 of the Rules require the LNSP to be the Responsible Person for Type 6 and Type 7 metering installations, and for Type 5 metering installations that are not “remotely read”.

These derogations will expire 31 December 2006.

The JJR recorded⁸ that they received submissions arguing that uncertainty associated with the transitional nature of the derogations created a barrier to the adoption of efficient metering solutions. As a result, the jurisdictional regulators indicated a preferred option to remove the transitional arrangements provided by the derogations, and transfer the current requirements into Chapter 7 as ongoing requirements.

The current derogations have been granted on a jurisdiction-by-jurisdiction basis, resulting in differences in wording and outcomes. These differences introduce a risk to service providers and discourage them from operating outside their home jurisdiction. Incorporating the current derogations as harmonised requirements into Chapter 7 provides the opportunity to remove the jurisdictional differences thereby reducing the compliance risks to service providers and retailers, and investment uncertainty from LNSPs.

b) Description of proposed Rule

The request for a Rule maintains the existing arrangements for determination of the Responsible Person for Type 1 to 4 metering installations, and introduces a new requirement that the LNSP be the Responsible Person for Type 5 to 7 metering installations.

The current derogations require that the Responsible Person for a type 5 metering installation with “remote reading” be determined in the same manner as for a Type 4 metering installation.

To minimise the consequential amendments required to the Rules, NEMMCO is proposing that a Type 5 metering installation is always manually read, and the addition of “remote reading” reclassifies the installation as a Type 4 metering installation. In order to get the same effect as the current derogations, NEMMCO proposes that Type 4 metering installations be separated into “large” and “small” using the jurisdiction threshold (refer footnotes 3 & 4 above); data delivery from “large” Type 4 metering installations would be delivered to current settlement timeframes (weekly), while data delivery from “small” Type 4 metering installations may be delivered to a less frequent delivery schedule, but with forward estimates provided for settlement until actual data becomes available.

Some other changes are introduced to ensure that the obligations on a Responsible Person are identical, whether the Responsible Person is a Retailer or a LNSP, and to limit repetition and improve readability.

⁸ JJR (Attachment C), p.42

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These changes have been incorporated into Chapter 7 in the following way:

- Clauses 7.2.0, 7.2.2, 7.2.3: Changes to the *Responsible Person* election process.
- Clauses 7.2.1(c) and 7.2.1(d): Relocation of responsible person obligations to limit repetition in clauses 7.2.2 and 7.2.3.
- Clause 7.2.5(g): Cooperation in changing the type of metering installation, as per JJR recommendation 4.8.
- Clause 7.2.5(h): The formalising of the extent of responsibility to be accepted by a responsible person on the day of transfer (Chapter 7 is currently silent on this matter).
- Clauses 7.3.1(a)(9) and 7.3.1(a)(10): Replacement of “daily delivery” with “delivery of actual metering data”, and the reliance of these clauses on clause 7.11.
- Clause 7.3.4(aa): Clarification of the rights of a Market Participant to determine the type of a metering installation.
- Clause 7.3.4(ab): The formalising of the point at which a responsible person can take control of a metering installation (Chapter 7 is currently silent on this matter).
- Clause 7.3.4(ac): The formalising of dialogue between the FRMP and the responsible person before a metering installation is changed (Chapter 7 is currently silent on this matter).
- Clause 7.3.6(ac): Which is a transfer of a clause in the Chapter 9 derogations;
- Clause 7.9.2: The change in status of the term ‘remote acquisition’ to a Glossary definition.
- Clauses 7.11(a), 7.11(aa) and 7.11(ab): The changes to data delivery performance standards to accommodate variations in data delivery timeframes for type 4 metering installations, including the term “remote acquisition” were appropriate.
- Glossary term “remote acquisition”: New definition.

The proposed solution includes accommodation of the ACCC views⁹ on those type 5 meters that are converted to remote acquisition status. In particular, the definition of ‘remote acquisition’ is an almost complete transcript of the ACCC definition.

These changes are intended to allow the current derogations in Chapter 9 for each of the jurisdictions to fall away on or before 31 December 2006 without the need for renewal of the derogations.

⁹ ACCC (Attachment D), pp39-40

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It is recommended that as a consequence of the proposed changes to Chapter 7 above, the following clauses in Chapter 9 be deleted:

- Clauses 9.9A.1, 9.9A.2 and 9.9A.3 (Victoria)
- Clause 9.17A.0, 9.17A.1 and 9.17A.2 (NSW)
- Clause 9.24A.1, 9.24A.2 and 9.24A.3 (ACT)
- Clause 9.30.1(2), 9.30.1(3) and 9.30.1(4) (South Australia)

In deleting these clauses, the general reference to the applicability of clause 7.3.6(a) has been retained by transferring the intent of this provision to Chapter 7, clause 7.3.6(ac).

c) Why the proposed Rule meets the national electricity market objective

The proposed Rules changes would better meet the NEM objective than the current Rules by:

Promotion of efficient use of electricity services:

The transfer of the derogations from Chapter 9 to Chapter 7 facilitates harmonisation of metrology requirements across the NEM and is consistent with the public policy supporting the Rules change proposal for a single NEM metrology procedure.

Promotion of efficient investment:

The current derogations have a sunset requirement and are applied on a jurisdiction-by-jurisdiction basis. The time limited nature of the derogations tends to discourage investment in longer term projects, while the differences in jurisdictional derogations introduce regulatory risk to participants seeking to invest in NEM-wide projects.

Long term interests of consumers:

The JJR concluded¹⁰ that for 'large' customers there were potential net benefits available from competitive metering services, and therefore the current arrangements for the determination of the Responsible Person for Type 1 to 4 metering installations should remain.

In contrast, the JJR concluded¹¹ that for 'small' customers with basic meters the potential benefits of metering services competition appear to be minimal, and that there is a risk that introducing competition in the secondary metering services market will result in less competition in the primary retail electricity market.

For this reason the JJR recommended that the Code (Rules) be amended to provide for the LNSP to be the Responsible Person for Type 5, 6 and 7 metering installations. Subsequently, the ACCC in its approval of the renewal of the

¹⁰ JJR (Attachment C), p 48

¹¹ JJR (Attachment C), p 48

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jurisdictional derogations determined that the Responsible Person for a Type 5 metering installations with “remote reading” should be determined in the same manner as for a Type 4 metering installation. The Rules change proposal has been prepared in a manner that takes account of the ACCC position.

A3. To introduce changes within Chapter 7 that reflect straightforward recommendations from the Joint Jurisdictional Review

This request for a Rule provides changes that address the JJR recommendations numbered 7.1, 7.2, 7.3, 7.4, 7.6, 8.2, 10.1, 10.2, and 10.3. These proposals appear straightforward and uncontroversial.

a) Statement of issues concerning the existing Rules and how the proposed Rule addresses this issue.

The availability of interval metering data is recognised as being generally beneficial to the operation of the market, and the JJR recommended actions to maximise the availability of interval metering data.

JJR recommendation 7.1 sought a Rule to address the issue that an installed interval meter might be replaced by an accumulation meter, because interval metering leads to a more efficient market.

JJR recommendation 7.2 sought a Rule to address the issue that the data from an interval meter should be collected and available to market participants and NEM settlement.

JJR recommendation 7.3 sought a Rule to address the issue that there may be limited circumstances where it may be impractical or uneconomic to enforce the Rule resulting from JJR recommendation 7.2.

JJR recommendation 7.4 sought a Rule to require review and maintenance of the jurisdiction based energy threshold arising from recommendations 7.2 and 7.3.

JJR recommendation 7.6 sought a Rule to require NEMMCO to consult with jurisdictions and other interested parties in relation to changes to Australian Standards which might introduce a barrier to the adoption of economically efficient metering solutions. This is an extension of the role assigned to NEMMCO by current Rule 7.13.

JJR recommendation 8.2 sought a Rule to delete clause 7.3.4(e) from the Code (Rules). The need for this clause has been superseded by the removal of the Metrology Coordinator role.

JJR recommendations 10.1, 10.2, 10.3 sought a Rule to require a further jurisdictional review of NEM metrology, and propose that such a review be completed by 30 June 2008.

b) Description of proposed Rule

Changes identified through the JJR recommendations, and included within Project 1 as being relatively straightforward, are included in the following points:

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- Clause 7.2.5(e): Restrictions on replacing an interval meter with an accumulation meter, as per JJR recommendation 7.1.
- Clauses 7.2.5(f): Requirements for an interval meter to be read as an interval meter as per JJR recommendations 7.2, 7.3, 7.4, and the adoption of a new definition 'type 5 accumulation boundary' to facilitate the operation of the new clause.
- Clause 7.13(c): Requirement on NEMMCO to report certain outcomes, as per JJR recommendation 7.6.
- Clause 7.3.4(e): Deletion of clause regarding the annual review of the type 6 metering installation, as per JJR recommendation 8.2.
- Clause 7.13(k): Requirement on Ministers to undertake a review, as per JJR recommendations 10.1, 10.2, 10.3.

c) Why the proposed Rule meets the national electricity market objective

The proposed Rules changes would better meet the NEM objective than the current Rules by:

Promotion of efficient investment:

These proposed changes provide greater certainty as to the application of interval meters and the data available from interval meters. The provision of greater certainty in relation to interval meter requirements reduces regulatory risk to service providers and participants seeking to invest in the industry, and therefore promotes efficient investment.

Promotion of efficient use of electricity services:

The proposed amendments in relation to interval metering will increase the volume of interval metering data available, which contributes to the efficient use of electricity services. Maintaining a requirement for jurisdictional review ensures that metrology issues are addressed to meet public policy requirements such as the promotion of efficient use of electricity services.

Long term interests of consumers:

The availability of interval metering data for market purposes facilitates more cost reflective pricing, and greater transparency between retailers and consumers. This is expected to contribute to a more efficient market, which is in the long term interests of consumers.

A4. Make editorial changes within Chapter 7 that improve readability, correct errors, and recognise the creation of the National Measurement Institute

This request for a Rule addresses issues identified in the course of developing the Rules change proposals at A1, A2, and A3 above, including issues relating to readability of the Rules, errors, use of language and recognition of the National Measurement Institute.

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a) Statement of issues concerning the existing Rules and how the proposed Rule addresses this issue.

Chapter 7 of the Rules makes reference to the National Standards Commission, however that body was abolished upon the creation of the National Measurement Institute on 1 July 2004. Other changes improve readability, correct errors, or remove duplication or uncertainty.

b) Description of proposed Rule

Minor changes of an editorial nature, or made as a consequence of other changes have been included at appropriate locations throughout the Chapter. These changes are:

- Clauses 7.1.4(a) and 7.1.4(a)(1): As a result of legal review to improve the clarity of the clauses;
- Clause 7.2.1(a): Where the paragraph has been revised to align with the new clause 7.2.0;
- Clause 7.2.1A: Which has now been deleted in its entirety;
- Clause 7.2.5(a): Replaced “are” by “is” and corrected clause cross-reference.
- Clause 7.2.5(a): Where the term ‘appropriate’ has been removed from qualifying the metrology procedure.
- Clause 7.2.5(aa): Which has been deleted as a consequence of the harmonised metrology procedure;
- Clause 7.2.5(b): To allow technical details to be contained in the metrology procedure.
- Clause 7.2.5(b): “metering installation” presented as plural.
- Clause 7.2.5(d): Which has been changed to improve its application for new and existing metering installations.
- Clause 7.3.1A(b): An editorial change has been made to reflect the correct expression of the watthour and varhour units of measure.
- Clause 7.3.1(a)(1): Where “at a minimum” has been relocated to improve understanding of the clause.
- Clauses 7.3.1(a)(1) and 7.3.1(a)(12): An editorial change which has been made to reflect industry’s use of the term ‘unmetered’ in the metrology procedure.
- Clause 7.3.1(a)(3a): Which is an editorial change;
- Changes to recognise the National Measurement Institute in place of the National Standards Commission, in a number of places, throughout clause 7.3.2A(c), Schedules 7.2 and 7.3.

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- Clause 7.3.4(a): Replace “which” by “that”.
- Clause 7.3.4(d): An editorial change to correct the scope of the clause.
- Clause 7.3.6(aa): Changes made as a consequence of other changes.
- Clause 7.4.2(ca): An editorial correction.
- Clauses 7.9.4(b), Table S7.3.2, S7.4.1(f), S7.4.2(b), S7.4.4(c): Changes made as a consequence of other changes (deletion of word “relevant”).
- Clauses 7.9.4(b): Add word “estimation” to the “Validation and Substitution Procedures” to clarify the scope of these procedures.
- Clauses 7.2A.2(i), 7.13(c), 7.13(e): Where the term ‘publish’ has been italicised to give it the correct status as a Glossary term.
- Schedule 7.1 Diagram: Categories of Metering Provider added. “Metering Data Administrator” replaced by “Metering Data Agent”.
- Schedule 7.3.2(b): “National Measurement Laboratory” superseded by the National Measurement Institute, 1 July 2004.
- Schedule 7.4, clauses S7.4.2(c) and S7.4.5 “Accredited Service Provider”: New clauses to accommodate the NSW ASP scheme.
- Glossary term “active energy”: Change “watthour” to the singular.
- Glossary term “estimated energy data”: Change “non-metered” to “unmetered”.
- Glossary term “general purpose”: Change “National Standards Commission” to “National Measurements Institute”.
- Glossary term “metering installation”: Change “non-metered” to “unmetered”.
- Glossary term “metrology coordinator”: Deleted.
- Glossary term “non-metered connection point”: Deleted – transfer to “unmetered connection point”.
- Glossary term “reactive energy”: Change “varhour” to the singular.
- Glossary term “unmetered connection point”: New – replaces “non-metered connection point”.
- Glossary term “verifying authorities”: Change “National Standards Commission” to “National Measurements Institute”.

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c) *Why the proposed Rule meets the national electricity market objective*

The collective purpose of these changes is to clarify and improve the accuracy of the expressed requirements. Ambiguity or errors in Rules introduces increased compliance risk to service providers and NEM participants.

The proposed Rules changes would better meet the NEM objective than the current Rules by:

Promotion of efficient investment:

Reduction in the perceived or actual risk to service providers and participants seeking to invest in NEM projects can reduce the cost of investment, and hence promote efficient investment.

Promotion of efficient use of electricity services:

Correction of errors and improved readability will improve industry understanding of the Rules, and make the operation of NEM processes and services less costly, and therefore add to efficiency.

Long term interests of consumers:

Better understanding and clarity of the Rules will reduce regulatory risk, which will reduce the need to factor higher costs into pricing and investment decisions to the ultimate benefit of consumers.