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By Email: Submissions@aemc.gov.au

Dr John Tamblyn
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Dr Tamblyn

RE: Advanced Metering Infrastructure Rollout, Victorian Government, Rule Change Proposal

Alinta AE Limited (Alinta AE) and United Energy Distribution (UED) are committed to ensuring a robust, effective and commercial AMI solution is implemented to meet the Victorian Government's Advanced Interval Meter Roll Out (AIMRO) policy. The two businesses have agreed that the implementation will be managed in accordance with an integrated AIMRO program delivered by Alinta Asset Management.

The Victorian Government is seeking exclusivity by way of a jurisdictional derogation for the distributors to act as the responsible person and meter data service providers in respect of Advanced Metering Infrastructure (AMI) meters rolled out to small customers consistent with the framework established under the Electricity Industry Act (EIA). In accordance with the National Electricity Law (NEL) requirements the Victorian Government has made the request to the Australian Energy Market Commission (AEMC) to make the necessary changes to the National Electricity Rules (NER). This submission is a joint response on behalf of Alinta AE and UED to the AEMC Rule Change consultation.

The Victorian Government's AMI policy approach and the regulatory framework which has been established requires a mandated party to be responsible for the advanced interval meter roll out. Consistent with the earlier Essential Services Commission (ESC) analysis, the benefits of such a roll out are across a number of parties, there is no one party who receives sufficient benefits to ensure they receive full cost recovery for the infrastructure deployment. The ESC's view was that a market driven approach would be unable to deliver the benefits to small consumers and hence regulatory intervention was warranted.

Alinta AE and UED support the Victorian Government's derogation application to the AEMC. This derogation application is intended to enable an orderly roll out of AMI. The attached submission will elaborate and provide distributor insight on many of the points raised in the Government's application. The businesses submission seeks to build upon the submissions provided to the AEMC by the Energy Networks Association and the joint Victorian Distribution Businesses.

The mandate for the local distributor to undertake the AMI deployment in its geographic area, requires the exclusivity provided by this derogation to:

- Enable a clear, coordinated roll out of the metering and communications infrastructure;
- Achieve the economies of distributor density and scale;
- Enable a simplified roll out process and the development of the business processes;
- Align to the current technology maturity and proprietary standards;
- Reduce the barrier to entry for new retailers to facilitate retail competition;
- Eliminate unnecessary and costly meter churn; and
- Provide all sub 160MWhpa consumers with a simple, consistent, regulated price for the AMI services.

Alinta AE and UED very strongly support the derogation as a pragmatic initial step in the introduction of AMI into the NER. The businesses support the Victorian Government derogation application for AMI, however we also strongly in support convergence with the national smart meter arrangements at the appropriate time. We recognise that as the implications of the national smart metering specification and national business processes are better understood, that there may be a need for a new specialised AMI meter type within the National Electricity Rules. We see this as an important debate for the longer term positioning for AMI, however this debate should not delay the commencement of the roll out in Victoria.

Should you have any further questions on the above please feel free to contact Verity Watson on (03) 8544 9447.

Yours sincerely



Alf Rapisarda
GM Energy Networks
Alinta AE Limited



Hugh Gleeson
Chief Executive Officer
United Energy Distribution