

13 February 2020

Australian Energy Market Commission  
PO Box A2449  
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Project Reference: ERC0275

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## Submission on the Draft Rule Determination on the Introduction of Metering Coordinator Planned Interruptions

### Introduction

1. This is Vector Limited's (Vector) submission on the Australian Energy Market Commission's (AEMC) draft rule determination, dated 19 December 2019, on the *National Electricity Amendment (Introduction of Metering Coordinator Planned Interruptions) Rule 2020* and *National Energy Retail Amendment (Introduction of Metering Coordinator Planned Interruptions) Rule 2020*.
2. Vector's advanced metering business (Vector Metering) is a registered Metering Coordinator, and an accredited Metering Provider and Metering Data Provider, in the National Electricity Market (NEM).
3. We are disappointed with the AEMC's "more preferable draft rule" (*Draft Rule*) in response to the rule change request made by the Competitive Metering Industry Group (CMIG) to introduce Metering Coordinator planned interruptions to address shared fuse scenarios. In our view, the *Draft Rule*, which effectively retains the current process, will not deliver additional significant benefits but will impose additional costs on the relevant industry participants and consumers.
4. We therefore do not support the *Draft Rule* and set out our reasons below.
5. No part of this submission is confidential. Vector's contact person for this submission is:

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### Feedback on the *Draft Rule*

6. Vector does not support the *Draft Rule* for the following reasons:
  - a. The *Draft Rule* does not fully recognise the significant consumer benefits of Metering Coordinator planned interruptions.
  - b. The *Draft Rule* has serious shortcomings and is not necessarily a significant improvement on the current process.
  - c. The proposed timeframes relating to shared fuse scenarios will be onerous on Metering Coordinators and retailers and their customers without overriding additional benefits.

- d. The proposed new notification requirements on DNSPs appear to be of limited value.
  - e. Metering Coordinator planned interruptions are not a barrier to consumers accessing ombudsman and consumer complaints schemes about these interruptions.
  - f. The proposed implementation timeframes are unrealistic and will impose onerous costs on those required to meet them.
  - g. Implementing the *Draft Rule* within the proposed timeframes could compromise compliance with multiple new rules.
  - h. The status quo – not proceeding with the CMIG proposal – is preferable to the *Draft Rule* being implemented.
  - i. Alternatively, the AEMC could consider an approach that requires DNSPs to address a shared fuse scenario once it is reported to them.
7. We discuss the above reasons in the following sections.

***The Draft Rule does not fully recognise the significant consumer benefits of Metering Coordinator planned interruptions.***

8. The CMIG rule change request proposed that the prohibition imposed by the current National Electricity Rules (NER) be relaxed to deal with the issue of shared fusing that is proving to be challenging for all relevant parties, delaying the installation of advanced meters at sites with this scenario. CMIG proposed that the Metering Coordinator, acting on the request of a customer's retailer, be allowed to isolate supply at sites with shared fuse infrastructure after obtaining consent from all affected customers or otherwise provide the interruption notices required of retailers and distributors under the current rules. The current rules prohibit the Metering Coordinator from taking this course of action, resulting in further delays for the customer and higher cost to the retailer, which is ultimately passed on to the customer.
9. The CMIG proposal envisaged that the Metering Coordinator could seek permission from the customer's neighbour(s) on the day of the meter exchange to interrupt supply for a short duration in order to install an advanced meter, or otherwise issue notices of an upcoming interruption. Vector supports the CMIG proposal and considers it to be a practical and 'common sense' approach that reflects arrangements routinely used across utilities other than metering. Where maintenance work requires interruption of a service that is shared between customers (be it involving water, gas, electricity or broadband services), it is common for the technician engaged by one customer to engage with other affected parties (neighbours) to agree a convenient time for any interruption so that maintenance can be performed.
10. In addition, the CMIG proposal will deliver services to consumers at a lower cost by avoiding the higher regulated charges that distribution network service providers (DNSPs) will incur in performing planned interruptions. Metering Coordinators, via their appointed Metering Providers, will be able to perform such interruptions more efficiently (as a result of avoided revisits) and more cheaply (because of competitive charging), reducing current delays and speeding up the rollout of advanced meters across the NEM.
11. It is disappointing that instead of removing barriers in the national electricity framework to the development of common sense and practical approaches that benefit consumers, the *Draft Rule* proposes to impose new obligations that are likely to drive up costs for retailers, DNSPs, Metering Coordinators, and consumers. We note that more flexible and practical approaches are becoming increasingly relevant in the context of rapidly changing energy technologies and markets.

12. It is difficult to see how the *Draft Rule* meets the National Electricity Objective:

to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to:

- price, quality, safety, reliability and security of supply of electricity; and
- the reliability, safety and security of the national electricity system.

***The Draft Rule has serious shortcomings and is not necessarily a significant improvement on the current process.***

13. The *Draft Rule* proposes new obligations on DNSPs to ensure isolation is performed within 25 days of the request. Vector does not support the imposition of this timeframe. Addressing a shared fuse scenario requires coordination between service providers and all affected customers. Mandating timeframes will remove the flexibility that is required to balance the needs of an individual customer against the needs of other affected customers. Requiring the DNSP to perform the isolation by a certain date (or face civil penalties) will incentivise behaviour that puts meeting regulatory obligations ahead of all other considerations. This would be a poor outcome for consumers.
14. We are also concerned that mandating timeframes may have the unintended consequence of consumers experiencing more interruptions. This is because DNSPs will lose the flexibility around the timing of the interruption. Retailers and Metering Coordinators who would like to coordinate their work to replace a meter during a single interruption may not have been made aware (with sufficient lead time) of a DNSP planned interruption that would allow their work to coincide with that interruption. Their work would require another visit and another isolation for the entire site.
15. Furthermore, we are concerned that removing the above flexibility will limit the DNSP's ability to negotiate a mutually agreed date with contestable service providers. While it is typically the DNSP that sets the schedule for the isolation and for service providers to meet this date, on occasion, the service providers cannot meet the DNSP's original schedule and wish to negotiate a different timeframe. Mandating a fixed timeframe on DNSPs will remove the flexibility that currently allows them to negotiate an alternative time which may be outside the proposed regulatory limit.
16. Another consideration is the existing protocol that unplanned work takes precedence over discretionary planned work. Vector recommends that any new obligations on timeframes include exemptions that recognise that unplanned urgent work is to be completed ahead of planned work.
17. In addition, there are instances where an installation cannot be completed within the required timeframe due to factors that are beyond the control of any of the above parties.

***The proposed timeframes relating to shared fuse scenarios will be onerous on Metering Coordinators and retailers and their customers without overriding additional benefits.***

18. The *Draft Rule* proposes that retailers and Metering Coordinators exchange the meter within 30 business days from the date that a shared fuse scenario is determined, and provides the DNSP 25 business days to perform an isolation from the date of the request. Vector believes that holding the retailer and Metering Coordinator responsible for overall implementation while they are dependent on the DNSP, who ultimately controls the schedule, would be unfair. It would be unreasonable for the retailer and Metering Coordinator to also be deemed to have failed in their obligations should the DNSP fail to isolate within the proposed timeframe.

19. For clarity on the above obligations, Vector recommends that any obligation on the retailer or Metering Coordinator relate solely to the lodging of a request for an isolation service from the DNSP. For example, a retailer could be required to request an isolation service as soon as practical but no later than five business days after being made aware of a delay in a meter exchange brought about by a shared fuse scenario.

***The proposed notification requirements on DNSPs appear to be of limited value.***

*The proposed new notification requirements will not preclude the necessity of a 'first attempt' visit.*

20. The *Draft Rule* requires the retailer and Metering Coordinator to inform the DNSP regarding a shared fuse scenario as soon as practical, and for the DNSP to 'record' the facts. It also requires the Australian Energy Market Operator (AEMO) to change the metrology procedure to include details of the shared fuse in the DNSP's obligations to maintain this information. The *Draft Rule* further proposes that the B2B fault notification transaction be amended to include shared fuse information when the DNSP is advising the retailer of a meter malfunction.
21. The intent of the *Draft Rule* making the information of a site's shared fuse status more readily available to market participants is unclear. As currently drafted, the *Draft Rule* suggests that the DNSP will only be required to provide this information when a B2B malfunction transaction is to be sent to a retailer. Given that the vast majority of malfunction transactions are sent to the retailer as a result of a site being deemed part of a 'family failure' and that no site visit has actually occurred to determine shared fuse status, it is difficult to see how effective including this information in the Meter Fault and Issue Notification (MFIN) will be. Put simply, it is unlikely that the DNSP will be aware of the shared fuse status at the time the MFIN is sent.
22. The *Draft Rule* is also unclear on the requirement to publish the shared fuse information beyond the MFIN. Should the intent of the AEMC deem that this information be made available prior to a 'first attempt' visit, Vector recommends that the *Draft Rule* be amended to require the DNSP to publish this information in AEMO's Market Settlements and Transfer Solutions (MSATS). The AEMC should consider changing section 7.12.1 and schedule S7.1 of the NER, which currently define the contents of the *Meter Register*, to include shared fuse information, rather than the metrology procedures.
23. Even if a retailer and Metering Coordinator are made aware of a shared fuse arrangement before attending a site, it is difficult to see how information on a site's shared fuse status could be used. Vector's success rate for meter exchanges at family failure malfunction sites is less than 50%. The reasons for this low success rate include compliance issues, defects, access issues, as well as shared fusing. It is not unusual that a site is subject to a combination of these issues.
24. Making the Metering Coordinator aware that a site cannot be isolated because of shared fusing ahead of time will not preclude the necessity for a 'first attempt' visit. It is necessary to look for other possible reasons that the meter exchange cannot be done. Should the Metering Coordinator attempt to arrange a DNSP isolation without first checking the site, the Metering Coordinator risks the visit being wasted when the meter cannot be exchanged for other reasons. In this case, the Metering Coordinator or retailer can reasonably expect to be charged by the DNSP for site attendance. Under the CMIG proposal, if the Metering Coordinator had attended the site during the initial visit and there were no issues, the Metering Coordinator could have isolated the site (with permission) and complete the work.

*Current notifications of DNSP planned Interruptions do not enable retailers and Metering Coordinators to determine whether a scheduled interruption at a site is related to a shared fuse isolation.*

25. Having forward notice of *distributor planned interruptions* occurring at shared fuse scenarios allows retailers to take advantage of using such interruptions to organise with their service providers a meter exchange at the same time. This minimises the number of serial interruptions experienced by the affected customer(s). This is particularly useful in the case of family failures when the likelihood of all meters on shared infrastructure being in the same 'family' is higher. The CMIG rule change request proposed that Metering Coordinators be given the right to determine the identity of sites affected by a shared fuse interruption and would be obligated to inform parties of a pending Metering Coordinator interruption.
26. Vector notes that the *Draft Rule* is silent on any changes to the current obligations related to *distributor planned interruptions*. Currently, most DNSPs satisfy their obligations by posting notifications of planned interruptions on their public websites. These notifications lack the details that would enable a retailer or Metering Coordinator to identify which site is to be interrupted or that the outage is related to a shared fuse isolation and not other types of network maintenance. Should the AEMC consider that forward notice of a *distributor planned interruption* offers some benefit to reduce the number of outages a customer will experience, Vector recommends that the current obligations on DNSPs be strengthened to require them to proactively send notifications of a scheduled shared fuse isolation via the B2B system.

***Metering Coordinator planned interruptions are not a barrier to consumers accessing ombudsmen and consumer complaints schemes about these interruptions.***

27. The *Draft Rule Determination* identifies the lack of consumer protections under the CMIG proposal as one of the AEMC's key concerns. This view appears to overlook that jurisdictional ombudsman schemes currently allow any party to lodge a complaint against scheme members – of which all retailers must be – should they have a grievance on how that member has operated. This is demonstrated in the NSW Ombudsman Charter which states that the Ombudsman can consider a complaint made...

...by other persons directly affected by the provision or supply of Energy or Water Services or the manner in which the Member has carried on its business of providing Energy or Water Services...

28. Vector believes that consumer complaints about metering are covered under these mandates, including where the Metering Coordinator, acting as an agent of the retailer, was to perform isolation at a shared fuse scenario as proposed by the CMIG rule change request.
29. We also believe that the relevant parties face strong incentives to ensure the protection of customers, in general, and vulnerable customers, in particular. It is in the interest of retailers and Metering Coordinators (working on behalf of the retailer) to work together to address any incidents expeditiously for reputational and other reasons.
30. We expect that as each site with shared fuse scenario is addressed, regardless of the process, the number of shared fuse scenarios – and therefore the number of potential complaints associated with these scenarios – will decline over time.

***The proposed implementation timeframes are unrealistic and will impose onerous costs on those required to meet them.***

31. Vector understands that the AEMC proposes a timeline that introduces the new timeframe obligations on retailers, Metering Coordinators, and DNSPs from 26 March 2020, and that retailers and Metering Coordinators are required to provide shared fuse information to DNSPs from 26 June 2020.
32. On the part of AEMO, new B2B processes will need to be developed and existing ones modified. Should MSATS be modified to become a repository for shared fuse information, a

program of work for all participants will be required to support modified existing market transactions to include this new information.

33. Based on our experience deploying advanced meters in the NEM, we believe the proposed timeframes will not allow enough time for retailers, DNSPs and Metering Coordinators to make changes to their systems and processes to comply with the proposed new obligations.

***Implementing the Draft Rule within the proposed timeframes could compromise compliance with multiple new rules.***

34. Should the *Draft Rule* be implemented within the proposed timeframe, industry participants will clearly need to put in place 'workaround' and temporary solutions to meet their new obligations. This could compromise the progress by industry participants already grappling with multiple new rules and the transition to new arrangements. These include, for example, retailers having to comply with recently imposed obligations under the National Energy Customer Framework, Metering Coordinators navigating the transition to a competitive metering market, and DNSPs facing resets by the Australian Energy Regulator for the next regulatory control period.
35. Industry participants can deliver better services to consumers by competing, innovating, and meeting consumer requirements and expectations, rather than focusing on regulatory compliance.

***The status quo – not proceeding with the CMIG proposal – is preferable to the Draft Rule being implemented.***

36. The CMIG rule change request offered a common sense and practical approach that simply reflects a common approach in other industries. Instead, the *Draft Rule* proposes mandating timeframes that are likely to have negative consequences on industry participants and consumers by introducing obligations that: 1) have questionable benefits, 2) are likely to delay the switch to advanced and competitive metering, and 3) expose industry participants to potential civil penalties for failure to meet new obligations. As such, if there is no alteration to the *Draft Rule* that will address these concerns, Vector considers not proceeding with the *Draft Rule* to be a preferable outcome.
37. We cannot see the *Draft Rule* delivering overriding additional benefits that justify the additional regulatory burden on industry participants (who are already facing multiple new compliance requirements, as described above) and increased costs on consumers. On the other hand, it could result in the unintended consequences of compromising the progress of ongoing compliance work and stifling the introduction of more innovative processes.
38. More broadly, the implementation of the *Draft Rule* could send the wrong signal about future rule changes, potentially discouraging parties to submit rule change requests introducing new or 'disruptive' processes that benefit consumers, including and especially from non-traditional parties.

***Alternatively, the AEMC could consider an approach that requires DNSPs to address a shared fuse scenario once it is reported to them.***

39. Given the AEMC's preliminary view not to adopt the CMIG proposal, Vector recommends that the AEMC consider investigating a rule change that requires DNSPs to resolve a shared fuse scenario once it has been reported to them.
40. Taking this approach would ensure that the issue is dealt with once and for all and all affected customers would only experience one common outage.

41. DNSPs can recover the costs of the above process from all network customers and not discriminate against those customers who, through no fault of their own, find themselves in a premise that shares supply with one or more other customers.
42. This approach would also mean that retailers – and ultimately consumers – will not face high costs for individual and repeated DNSP isolations.

### Concluding comments

43. Vector is concerned that the AEMC's *Draft Rule* does not address the key issues raised in the CMIG rule change request – namely the delays to a meter exchange caused by a prohibition in the NER on Metering Coordinators' ability to interrupt a customer's neighbour's supply for the purpose of installing an advanced meter.
44. If the current barriers to Metering Coordinators providing better and more timely consumer services cannot be removed from the NER, we do not see any reason or significant net benefits to consumers of putting up more barriers through more prescriptive arrangements. As more competitive metering arrangements emerge in the NEM that increase incentives on parties to provide the best services and value to their customers, the need for prescriptive arrangements should fall away over time.
45. We are more than happy to discuss any aspects of this submission with the AEMC.
46. We encourage the AEMC to have more face-to-face discussions on this issue with Metering Coordinators and consumers – the parties closest to the advanced metering installation process itself.

Yours sincerely



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