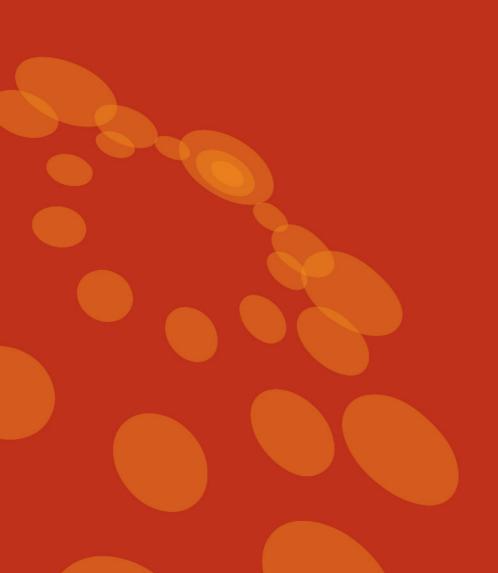# ena

energy networks association

IMPLEMENTATION PLAN FOR COMPETITION IN METERING AND RELATED SERVICES

ENA Submission to the Australian Energy Market Commission

CONTENTS

EXECUTIVE SUMMARY

The ENA welcomes the opportunity to make a submission to the Australian Energy Market Commission (AEMC) consultation on the proposed implementation timetable for the competition in metering and related services rule change and associated work by the Australian Energy Market Operator (AEMO) and the Australian Energy Regulator (AER).

ENA welcomes the efforts by the AEMC to identify and coordinate the complex series of processes and interactions relating to the implementation of recommendations from the Power of Choice (POC) review. ENA has previously noted the importance of ensuring that the reviews and processes following the Power of Choice report proceed in a sensible and consistent manner, recognising policy development priorities and inter-dependencies and supporting efficient development and introduction of the procedure, business process and system changes required to implement the policy outcomes noting their impact upon billing data.

ENA supports the proposed approach by AEMC but has suggested some areas for further enhancement. Our submission provides practical guidance on how the process may be strengthened to enable market participants to deliver the outcomes required to support customers. In particular, the ENA considers that the implementation schedule needs to ensure finalisation of policy frameworks before locking in delivery dates for full system implementation. In addition, this process needs to recognise the current different starting points of individual businesses affecting the time required to incorporate major changes brought about by operation of interval and smart meters.

The submission includes the key points on planning and scheduling that ENA considers will support a sensible and robust outcome in the implementation processes.

RECOMMENDATIONS

The ENA recommends that the AEMC:

» Allow more time for industry response to the draft determination than five weeks. The complexity of this rule and the size of the rule changes warrant eight (8) weeks response time.

» Allow a further round of consultation on the legal drafting once the AEMC has considered all submissions so that industry has an opportunity to fully comprehend the intent of the changes and that the legal drafting matches the policy.

» Allow more time for AEMC to review all submissions in response to the draft determination. ENA considers that five weeks is not sufficient for the size/complexity of this rule change.

» AEMO should ensure time for public stakeholder consultation on the Shared Market Protocol advice before it goes to AEMC/COAG Energy Council.

» As AEMC has two to four rule changes which may have the same targeted release date, it would be beneficial if the AEMC had a single draft version of the consolidated NER and NERR with changes marked as at the target release date , to assist stakeholders to consider the full effect of the proposed integrated regulatory framework.

» ENA supports the policy implementation of POC initiatives beïng managed via an effective program governance which sets out a program timetable and deliverables from policy makers, market operators and participants;

» ENA strongly recomends that AEMC note that some industry participants may need up to 18 months for process changes and systems build/test and implementation following the last of the necessary procedure changes. While the ENA recognises that policy makers and other stakeholders will have an interest in setting an early commencement date, it will be important to ensure careful program risk management during the implementation. Specifically, the necessary procedure changes and interface requirements should not be compromised by providing insufficient time to enable build and implementation. All stakeholders would be concerned if the reform program was rushed and resulted in adverse outcomes for consumers.

» ENA welcomes the development of a realistic policy implementation plan for the POC initiaives by a program governance body in discussion with all industry participants.

» The AEMC should have regard to the impact of the AER's Ring-Fencing Guideline on distribution investment decisions, as it may impact the date for commencement of operations in the Final Rule Determinations.

» Establish a central implementation program management structure to facilitate effective planning, decision making, ongoing coordination of all activities including COAG, AEMC, AEMO, AER, Standards Australia, industry, EMRWG.

BACKGROUND

The Energy Networks Association (ENA) is the national industry association representing the businesses operating Australia's electricity transmission and distribution and gas distribution networks. Member businesses provide energy to virtually every household and business in Australia. ENA members own assets valued at over $100 billion in energy network infrastructure.

The ENA welcomes the opportunity to make a submission to the Australian Energy Market Commission (AEMC) consultation on the proposed implementation timetable for the competition in metering and related services rule change and associated work by the Australian Energy Market operator (AEMO) and the Australian Energy Regulator (AER).

ENA welcomes the efforts by the AEMC to identify and coordinate the complex series of processes and interactions relating to the implementation of recommendations from the Power of Choice (POC) review.

ENA has previously noted the importance of ensuring that the reviews and processes following the Power of Choice report proceed in a sensible and consistent manner, recognising policy development priorities and inter-dependencies and supporting efficient development and introduction of the procedure changes required to implement the policy outcomes.

The POC measures are designed to empower customers and create environments for new energy service providers. However, there are significant costs in establishing a workable environment for these processes. Ensuring that necessary changes are practicable and implemented as efficiently and effectively as possible is critical.

ENA supports the proposed approach by AEMC but has suggested some areas for further enhancement. Our submission provides practical guidance on how the process may be strengthened to enable market participants to deliver the outcomes required to support customers.

Metering and meter data is integral to the market. It is fundamental to the settlement of the NEM, operation of the wholesale and retail markets and provides the platform for network and customer billing, innovative pricing and products being offered to the market. The metering contestability rule change is a major platform for POC implementation.

As such, the Commission must ensure that the metering contestability implementation timeline is realistic and encompasses all changes that are required for new and existing market participants.

ENA recommends a well coordinated program plan around sensible industry releases across the POC initiatives, based upon the metering changes. Implementation of POC initiatives should be seamless to customers and introduced as service enablers. Cooperation and coordination between all parties across related processes is needed to make this outcome viable and result in readiness to 'go live' with a solution that is workable end to end.

Within this process, it also needs to be recognised that other critical activities are simultaneously underway that will obligate business and agency resourcing. For example, this will include Electricity Distribution Pricing Reviews, Victorian and Queensland NECF and NSW gas B2B processes. Network businesses are at varying stages in their regulatory pricing proposals for the AER and will be required over the next six to twelve months to provide further information and reporting to substantiate and manage the outcome of this work within their businesses.

Engagement with industry and other key stakeholders including customer representatives is critical to ensure practical outcomes within the POC related processes, but scheduling for consultation, response and implementation needs to recognise obligations external to these POC initiatives, rather than defaulting to standard process times.

METERING

Although AEMC has recognised the complexity of the Rule change and the need to provide a clear and practical basis for Procedure and system changes, the AEMC's proposed implementation timeline does not appear to incorporate enough time and workshops to deliver quality Rules drafting for the Metering Contestability Final Determination. As noted above, ENA considers the metering changes are key to POC implementations.

The Procedure development and drafting process, and the final alignment of industry and AEMO outcomes with the Rules as drafted, will be dependant on the Rules drafting providing a clear and practical framework. Chapter 7 is unlike many other Chapters of the Rules in that it is not just setting high level frameworks, but rather is at a level of detail much closer to the industry working arrangements.

ENA considers that, in addition to the formal consultation response period relating to the draft determination, an additional period of consideration of the detail of the legal

drafting and the achievement of workable implementation will be required.

This process could include AEMC workshops on details of the drafting to ensure a clear and common understanding between all parties.

TIMEFRAMES AND WORKLOADS

AEMC WORKLOAD

As drafted within the proposed Implementation Plan, the AEMC is undertaking six rule changes in the first half of 2015, which is a significant workload and it will take time for the AEMC and all stakeholders to rigorously consider potential changes. This workload will be challenging for all parties, notwithstanding other obligations.

AEMC is suggesting that the metering competition rule will change multiple chapters of the NER and the NERR. AEMC received over 30 submissions to the first round of consultation on the rule change, of which about half of the submissions were late, reflecting resourcing challenges for respondents.

Consultation on the draft determination will be the first time the rule drafting and detail will be available and the decisions evident on some of the outstanding issues noted to date. ENA has calculated that AEMC will currently have 29 work days to review responses, consult with stakeholders on points of clarification, consider any drafting changes, and to write a final determination by 2 July 2015. ENA considers that for such a critical piece of work, this timescale is inadequate.

ENA recommendations

» Allow more time for industry response to the draft determination than five weeks. The complexity of this rule and the size of the rule changes warrant eight (8) weeks response time.

» Allow a further round of consultation on the legal drafting once the AEMC has considered all submissions so that industry has an opportunity to fully comprehend the intent of the changes and that the legal drafting matches the policy.

» Allow more time for AEMC to review all submissions in response to the draft determination. Five weeks does

not seem sufficient for the size/complexity of this rule change.

NERR clarity and timing

ENA is concerned at the inter-relationships and conflicting/complementary processes underway outside the POC processes, particularly relating to changes to the NERR.

Queensland is due to implement NECF1 on 1 July 2015 and Victoria is scheduled to consider further the implementation of NECF1 on 1 January 2016. AEMC is drafting NECF and metering rule changes and the Energy Market Reform Working Group (EMRWG) is drafting NECF2 at the same time.

ENA is aware that AEMC and EMRWG are closely liaising; however the timing of the drafting and the effective date of application of changes made is not clear. In addition, EMRWG is expected to release its consultation paper on regulation of third parties in the near future, which also originated from, and will impact upon, POC changes.

ENA would welcome clear direction from AEMC and COAG Energy Council on the scheduling and implementation timingof the full range of these interrelated processes underway.

PUBLIC CONSULTATION FOR THE BENEFIT OF ALL STAKEHOLDERS

AEMO have been undertaking several work pieces of critical importance relating to POC process, including consideration of the smart meter minimum functionality specification and development of a Shared Market Protocol to enable implementation of smart metering services.

ENA has particular concerns relating to the outcomes of these processes, which are included in an attachment to the submission **at Appendix 1**. In particular, ENA remains concerned that delivery of services (including network services) of potential value to customers are likely to be significantly inhibited by the solutions proposed by AEMO.

ENA notes that the timeframes did not allow the expected consultation with industry stakeholders on the AEMO advice as planned. ENA understands that AEMO officers already expect that the timeframes will not enable consultation on the AEMO Shared Market Proctol (SMP) advice due at the end of February 2015 either. Such an approach to industry and stakeholder engagement on such technically complex and operationally significant issues is more likely to lead to unforeseen implementatioin consequences and customer

impacts. It is particularly problematic given the policy and regulatory design responsibilities for an integrated metering policy framework are already somewhat divided among the AEMC, AEMO and AER.

There also appears to be limited understanding across stakeholders of the Shared Market Protocol (SMP) governance and the scope/content of the SMP.

ENA recognise that while some preliminary thinking can occur on the Shared Market Protocol based on the metering draft determination, until there is a final determination for the metering rules and a final determination for the minimum metering specification and service levels, the initial draft of SMP cannot be effectively progressed.

ENA welcomes the AEMC consultation on these matters over December 2014 and January 2015. Industry would welcome establishment of an integrated vision of the relationship between the metering rule changes, application of the Minimum Functional Specification and development and application of the SMP governance. ENA welcomes the AEMC consultation on the SMP and consider that there would be value in AEMO consulting with stakeholders before providing the SMP advice to AEMC in February 2015.

ENA recommendations
» AEMO should ensure time for public stakeholder consultation on the Shared Market Protocol advice before it goes to AEMC/COAG Energy Council

RELEASE DATES

ENA support realistic release dates for system upgrades relating to the POC suite of changes. While AEMC has noted the AEMO's standard May and November release schedule for its market systems changes, ENA would support one or possibly two releases in a year at an appropriate timeframe that ensures readiness by all parties to introduce the major changes relating to the POC implementations. For instance, the release date for the POC changes might preferably be July 2017 rather than May 2017.

ENA suggestions on the proposed release timings have considered the likely timing of each of the Rules changes, the impact on certain NEM procedures and the efficiency (and reduced complexity) that would be achieved if the procedures were amended for a number of changes at the same time, schema changes were kept to a minimum and industry testing and success crtiteria for a 'Go' decision were

developed to ensure readiness of all participants, including new parties.

In addition, it is critical to note that distribution businesses (and other businesses) are at different starting points especially regarding IT system readiness to manage data and transactions from interval and smart meters. The degree of difference in current system capabilities will seriously affect the lead time required to introduce and finalise the necessary changes to procedures, processes and business systems required for operation of the proposed POC initiatives. As these changes will impact billing processes, it will be critically important to ensure adequate time for development and appropriate testing to limit adverse impacts upon customers.

However, for other than these major reforms relating to the POC initiatives, ENA support the AEMO retaining the standard two releases per year in May and November when required.

ENA recommendations
» ENA supports the policy implementation of POC initiatives beïng managed via an effective program governance which specifies an explicit program timetable including deliverables from policy makers, market operators and participants;
» ENA strongly recomends that AEMC note that some industry participants may need up to 18 months for process changes and systems build/test and implementation following the last of the necessary procedure changes. While the ENA recognises that policy makers and other stakeholders will have an interest in setting an early commencement date, it will be important to ensure careful program risk management during the implementation. Specifically, the necessary procedure changes and interface requirements should not be compromised by providing insufficient time to enable build and implementation. All stakeholders would be concerned if the reform program was rushed and resulted in adverse outcomes for some consumers.

PLANNING AND SCHEDULING

ENA puts forward the following key points on planning and scheduling to guide a sensible and robust outcome in the implementation processes.

» Ensure that a robust process is followed:
  – Ensure that rules are finalised before significant effort is expended on procedure development phase
  – Ensure that procedures are finalised, then build packs completed and agreed by industry stakeholders, before design/build of systems
  – Ensure that sufficient time is allowed for AEMO to complete builds and establish testing sandpits and certification processes for new roles
  – Ensure realistic timeframes for industry design, build internal test and industry test
  – Establish a co-ordinated industry testing process with involvement of all participants
  – Ensure that accreditation and review processes of capability are considered in the project plan before/after industry test phases so that parties are ready to transact
  – Include defined stage gates, readiness assessments with go/no-go decision points, enabling appropriate triggers for a release date in the final Rule is highly desirable
  – Ensure that security and confidentiality of customer data is maintained
» Ensure that the schedule takes into account:
  – Lead times for the sequence of rules definition, process definition, build/test activities
  – Timescales for decision-making, funding approval and establishment of any new commercial agreements eg procurement of new meters or procurement of competitive IT project delivery
  – the significant differences between businesses in system and process capability to handle interval and smart meter data and transactions critical for purposes including billing, which will impact implementation capacity and timelines.
  – Readiness assessments and release management
  – Business and market operations impacts
  – System vendor availability (many participants use the same systems/vendors and they also have many other clients)
  – Business planning and approval cycles of participants

  – Creation and integration of the **new** "Metering Coordinator" participant role in the market's and participant's systems and processes and the interdependencies of this role to other roles (it is different to the current RP role).

TIMING, SEQUENCING AND PACKAGING OF RELEASES

ENA proposes the following key points on timing, sequencing and packaging releases to guide the implementation processes

» Balance the implementation requirements to:
  – Avoid inefficient multiple sequential releases which cause system and process rework and unnecessary disruption,
  – Spread out the IT workload (e.g. ensuring there are no more than two releases in any 12 month period)
» Assess the opportunity to define an initial release where requirements are relatively stable, simple and self-contained (e.g. provision of meter data to customers)
» Assess the opportunity to identify key foundation systems functions/capabilities as building blocks (e.g. definitions of new market roles and key transactions) and include these in a single industry release
» Avoid scheduling releases at impractical times/dates (e.g. January 1)
» Ensure a realistic period (which could be up to 18 months) between the finalisation of all the procedures changes and industry commencement obligations to enable 1-2 months for all industry participants to finalise the build packs in line with the procedures, design, build, internal test, industry test and release. The scheduling needs to recognise different business readiness capacity.

PROPOSED SEQUENCING

The COAG Energy Council /AEMC's Power of Choice (POC) full range of initiatives contains too many separate Rule changes, and resultant process and procedure and system changes to be combined into a single Rules change package and implementation release.   If one release only was targeted then this would serve to delay metering competition

Attempting a single release would:

- Make the Rules (NER and NERR) changes difficult to integrate into a whole;
- Make it difficult for industry to provide rigorous comment; and
- Result in a very large and risky process and IT system change.

Conversely, undertaking each Rule and Procedure change independently would be unnecessarily disruptive and result in inefficient rework of business processes and system changes with material costs.

ENA would suggest the packaging of the proposals into two main releases.

Release 1 would consist of Rule changes and implementation for metering contestability (including Shared Market Protocol (SMP), NECF 2 and embedded networks.

These initiatives appear to be a logical package:

- They are a manageable package as NECF 2 and embedded network are at similar stages and could be logically grouped for procedures and systems impacts and delivery;
- Embedded networks are a current issue; and
- NECF2 sets the customer protection framework for the smart meter services developed in the metering contestability initiative such as Supply Capacity Control, Remote De-Energisation/ Re-Energisation and Direct Load Control.

Release 2 would consist of Multiple Trading Relationships (MTR) and Demand Response Mechanism (DRM) Rule changes, customer switching review, and related process and system changes. These initiatives are less well defined, are relatively large with respect to system change, and are not an integrated and "essential" component of the contestable meter framework.

ENA note AEMC has already established an implementation timetable for customer access to data and is likely to also outline the timetable for delivery of the Demand Management Information in the next few months. ENA accept that these two rules changes are likely to progress

separately and are least critical to incorporation into the metering rule processes.

Table 1: ENA assessment of timings

Release	Comment	Indicative Timescale
1. Customer access to data	Relatively self-contained, rules close to finalisation	1 Dec 2014 / 1 March 2016
2. Improve Demand Management information for AEMO	Relatively self-contained, part way through rules consultation	August 2016?
3. Metering Competition, Embedded Network Management, NECF 2, SMP governance	Establishes core foundation building blocks Builds on functionality in release 2	Early 2018
4. Multiple Trading Relationships, Demand Response Mechanism, NECF3	Perhaps could be brought forward?	Early 2019
5. Demand Management Incentive Scheme	Impact may vary for individual Distributors	

Timeframes to deliver – scope clarity

AEMC sought feedback on timeframe to implement metering competition (including all procedures, processes and systems changes) and the timeframe to deliver on ring fencing.

ENA considers that it will be essential to have a clear defined scope from the rules changes final determination before businesses are able to define firm timeframes for delivery.

It is important to get a coordinated realistic program plan for all elements of POC reform and how they will be release managed before committing to the delivery timeframes.

As an indication, the B2B implementation across retailers and distributors took one year to finalise build packs and design, recognise and agree the deficiencies in the finalised procedures, build, internal test, three rounds of industry test with remediation periods in between, readiness assessments, readiness criteria and 'Go' decision. In relation to item 3 in Table 1 above, the metering competition bundle, it will be important to have industry coordinated testing and readiness assessments for all parties, particularly new entrants.

The AEMC Consultation paper suggests that stakeholders require sufficient time to update their systems and business processes and undertake testing and that some of those processes cannot be completed until after AEMO's procedures and system changes have been completed.

Whilst AEMO can commence developing the procedures that it is changing as the decision maker following the AEMC draft determination, Industry participants cannot start building IT systems and business processes until the procedure changes have been finalised and, for larger changes, until the industry build packs have been agreed.

Starting build on a moving scope would not be considered prudent and efficient by the regulator or management. Further, not all stakeholders are fully engaged in understanding the changes and any change of scope or interpretation that is unfolding.

The more parallel operations, the higher the likelihood for increased costs and rework or poor implementation due to differing interpretations. As these reforms introduce more parties into the delivery and success of any program, there will need to be more effort to ensure that all parties have a consistent understanding and are ready at the same time.

ENA recommends that once the procedures are finalised for the metering competition release bundle that up to eighteen months is considered to finalise the build packs, build and test. As noted previously, individual distribution businesses (and other businesses) are at different stages of system readiness for interval and smart meter integration including for billing purposes and it will be necessary to have clarity on the final determination decision before being able to fully specify firm timeframes for delivery.

Ideally the date to 'Go Live' should be triggered by the readiness of the parties in the market to transact relatively seamlessly under the new rules and procedures.

AEMC have previously challenged industry to identify what is absolutely required for 'Day 1' of national smart meter/metering competition.

ENA recognise that the AEMC wishes to have all meter types be open to metering competition. There may be some benefit in omitting type 7 or manual read old type 5/6 meters from consideration in the metering competition rules in order to focus on the rules needed for future metering in the interests of customers

CONSOLIDATED RULES

As the metering rule change will result in a full rewrite of Chapter 7, ENA recommend the AEMC create a consolidated rules version with changes marked to assist in minimising the complexity and improving the understanding of the bundled release of the proposed Rule changes.

ENA also sees benefit in the AEMC advising which chapters of each of the NER and NERR are being impacted in the metering rule change and NECF2 changes.

ENA recommendations

As AEMC have two to four rule changes which may have the same targeted release date, it would be beneficial if the AEMC released a single draft version of the consolidated NER and NERR with changes marked, as at the target release date

RING FENCING

The AER's approach to revised Ring-Fencing Guidelines is currently very uncertain.

The Ring-Fencing Guideline is a prerequisite for commencing Distributor system design, build and test to ensure that necessary changes are part of the build.

Distributors also seek to fully understand the opportunities and restrictions before major investment in the Metering system changes. As such, even if the ring fencing requirements ultimately do not result in system change requirements, the absence of certainty in relation to the Ring-fencing Guideline is likely to delay business operation decisions and investment in IT, process and system changes.

ENA recommendations

The AEMC should have regard to the impact of the AER's Ring-Fencing Guideline on distribution investment decisions, as it may impact the date for commencement of operations in the Final Rule Determinations.

PROGRAM MANAGEMENT

ENA believes that dedicated, independent project management resources are needed to ensure the readiness of all existing and new market participants. In particular, the process must ensure that inconsistent changes are not made, timelines for procedural changes are adequate and that changes are introduced in logical groups and sequences, not imposed as on-going, inefficient and costly constant upgrades.

In order to achieve these outcomes, ENA recommends the following be commenced over the next few months:

» Establish a central implementation program management structure to facilitate effective planning, decision making, ongoing coordination of all activities including COAG, AEMC, AEMO, AER, Standards Australia, industry, EMRWG etc.

» Program management needs to be managed across all activities by a single party regardless of the ultimate SMP governance (ie can't have separate AEMO governance and B2B governance as these have to work together).

» Focus initially on the preparation of a charter for the implementation program to define: scope, objectives, management approach, success criteria, etc.

» Ensure appropriate governance arrangements are established to facilitate effective reporting on progress of all parties and resolution of issues. Reporting to be transparent and available to all parties.

» Whilst industry working groups may have limited representation, there needs to be a clear method of keeping all interested parties informed eg holding regular forums on the key procedures changes, detailed decisions at the transactional level

» Suggest that the program management be a professional and independent program manager.

» The program management, program plan development, planning of deliverables/working group roles can all be progressed in anticipation of the draft determination and reviewed after consultation on the draft determination closes. It is important that the milestones and interdependencies are clear and managed. For example COAG turn around on SMP governance advice/rule, SMP governance rule fast track of changes etc may be areas where the finalisation of the decisions impacts day 1 metering competition. ENA would welcome a clear program plan and critical path be established and maintained.

APPENDIX 1: ENA VIEW ON AEMO MINIMUM FUNCTIONALITY SPECIFICATION ADVICE TO COAG

ENA has received AEMO's advice to COAG Energy Council on Minimum Functionality of Advanced Meters, issued in November 2014, which was developed after a period of consultation with an industry reference group which included ENA members.

ENA notes that the industry reference group did not have the opportunity to view or review AEMO's final advice prior to its release, and the public consultation originally planned as part of the process did not occur due to time constraints.

ENA considers that AEMO's final advice does not fully address the original Terms of Reference, and does not reflect the range of views expressed in the reference group in a number of important aspects.

Terms of Reference (TOR)

The Terms of Reference provided to AEMO from COAG Energy Council required:

» That the Australian Energy Market Operator establish, maintain and publish a smart meter minimum functionality specification, noting that '*officials considered that there are likely to be broad market benefits if participants have access to an agreed minimum functionality specification and related performance levels*'

» The advice from AEMO is '*expected to contribute to the achievement of the NEO by supporting the development of a competitive metering framework which will facilitate the uptake of efficient demand side participation and support the provision of a range of competitive electricity products and services to consumers*'.

COAG noted the substantial work already undertaken on developing a national minimum functionality for small customer smart meters. They note that '*further work is needed to update the specification to strike a balance so that functions are not under-specified (and so miss out on important benefits) or over-specified (and limit innovation or increase cost)*'.

ENA concerns

ENA has the following concerns with the AEMO advice:

1. **Not adequate consideration of previous work on specifications**: The TOR require AEMO to take into consideration the *"substantial work done*

previously on a national minimum functionality for small customer smart meters"*, and also the functionality and services delivered by the Victorian AMI specification. However, rather than *"update the [existing] specification"* as proposed in the TOR, AEMO has taken a 'top down' approach, starting with a blank sheet, that fails to build on the substantial work done previously.

2. **Service definitions lack detail**: The services set out in the AEMO advice are described in general terms that leave considerable scope for interpretation. Of particular concern to ENA is the "meter installation enquiry" service, which has become a catch-all for the provision of non-market data from advanced meters, such as power quality data and alarms, but is not well defined. Delivery of these services is therefore considered to be in doubt.

3. **Service availability and performance levels are not defined**: Although the TOR states that the advice should consider "*minimum functionality specification and related performance levels*" the document states that "*this advice does not attempt to specify service levels or performance standards in detail.*" Instead there is a general discussion in section 3.6 that does not recognise or seek to build on the considerable work that was undertaken in this area in the development of the national and Victorian specifications, both of which include well-defined service levels for the services set out in the AEMO advice. ENA considers that service availability and performance are fundamental elements of service definition and have a bearing on both the value of the services to market participants and the cost to Metering Coodinators to implement them.

4. **Supply outage notification**: In relation to supply outage and supply restoration notification, the advice states that *"the single proponent for these services within the reference group was the Energy Networks Association"*. ENA members' recollection is that consumer advocates also supported these services, offering the view that consumers would find it hard to believe that their 'smart meter' could not detect a power outage. The AEMO advice goes on to state that the services in the document *"with the exception of the supply outage notification*

service, can be delivered through standard advanced metering products and systems with no need for manufacturers, communication and systems providers to create bespoke designs for the NEM". This statement implies that the supply outage notification service would require new product development. In fact, this function is available in smart meters today from more than one vendor supplying the Australian market, and is implemented and operational in around 2.8 million meters in the NEM in Victoria.

5. **Remote disconnect and reconnect**

    AEMO's high-level characterisation of the remote disconnection and reconnection services fails to consider customer safety requirements of these services, although these were discussed at length in the working group.

6. **Victoria**: There is little consideration of the Victorian situation – given that there are around 2.8 million smart meters in the NEM today operating with a well defined set of services in Victoria, this is given surprisingly little weight in considering a future national specification.

7. **Does not recognise value of network services**: Although AEMO was clearly tasked to consult with distribution businesses (and ENA had five representatives on the reference group), AEMO appears to have given little weight to the views/expertise of distribution businesses participating in the AEMO Reference Group, particularly with respect to their TOR to:

    "consider the services a smart meter should provide to:

    o   *Enable the efficient, reliable and safe operation of the national grid;*
    For the reasons noted above, Australia's electricity network sector, which is responsible for "…the efficient reliable and safe operation of the national grid", consider that the AEMO advice has not adequately considered the services a smart meter should provide for these purposes.

8. **Deferring obligations to Australian Standards**

AEMO's advice defers the obligations under the TOR for maintaining metering standards to Standards Australia

without consideration for the implications of functions that are not explicitly metrology. In doing so the minimum functionality for smart meter infrastructure as is already defined in the SMI minimum functional specification will remain unaddressed and open to interpretation. ENA is supportive of Australian Standards to replace or complement a SMI-MFS in due course; however the anticipated timelines for establishing / updating such standards will not precede metering competition.

Given this, the ENA recommends. that the AEMC recognise the need to ensure fundamental service level definitions (including service availability and performance levels) are confirmed prior to the finalisation of the Contestability in Metering rule change.