



**ENA SUBMISSION TO AEMC CONSULTATION PAPER:
IMPLEMENTATION ADVICE ON SHARED MARKET PROTOCOL**

12 February 2015

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EXECUTIVE SUMMARY

The Energy Networks Association (ENA) welcomes the opportunity to make a submission to Australian Energy Market Commission (AEMC) in response to its proposed approach to implementing a shared market protocol to support activation of services from smart meters.

The key issues considered by ENA are as follow:

1. Coordination of development of policy solutions across numerous reviews and other processes;

ENA is concerned at the on-going separate consideration and finalisation of these inter-related matters in advance of the establishment of the overall metering competition framework.

In ENA's view, final decisions on subordinate matters such as implementation of the shared market protocol should be delayed until the key policy framework of the competition in metering has been established.

2. governance arrangements for developing and maintaining a shared market protocol;

ENA supports decision making relating to development and operation of the shared market protocol being led by an industry body, built upon the current Information Exchange Committee (IEC).

ENA accepts that details on the structure, membership and decision-making process will need to be revised to reflect the broader engagement across current market participants and other parties which may seek to be engaged.

When finalised in line with the metering contestability framework, the objectives and powers of the reconstituted IEC and the basis for selection of the committee should be clearly set out in the NER.

3. how a shared market protocol will be defined in the NER;

ENA considers that objectives and principles will be required to guide governance and operation of the shared market protocol.

ENA would welcome the opportunity to provide input into the establishment of amended B2B/shared market protocol principles.

4. interaction with the minimum functional specification,

ENA considers that for the full benefit of smart metering infrastructure to be realised, it is essential that the shared market protocol has the capacity to deliver the range of proposed primary and secondary services, including network services.

5. the roles and responsibilities of parties with regard to a shared market protocol;

ENA considers that subordinate processes, such as the shared market protocol review, should provide indicative outcomes only for input into major framework reviews for final decision.

In principle, ENA considers that authorisation or registration of third parties using the shared market protocol is likely to be needed, but final decision on how this should operate should await outcomes from the metering rule change and EMRWG consultation.

6. transitional arrangements.

ENA considers that transitional arrangements will be required. However, this will be a technical and process issue for consideration when conclusions have been reached relating to the structure, governance and operation of the shared market protocol.

Such transitional arrangements should be considered under the auspices of the final B2B e-hub and shared market protocol governance structure(s).

Attached at **Appendix 1** are the detailed questions on which AEMC is seeking input with ENA responses.

BACKGROUND

The 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.

INTRODUCTION

ENA welcomes the opportunity to make a submission to the Australian Energy Market Commission (AEMC) on their consultation paper: *Implementation advice on the shared market protocol*. ENA and our members have been extensively involved with AEMC on the broad range of interconnected review and rule change processes relating to the Power of Choice submission and efforts to expand the ability of customers to gain greater benefit from energy services at reasonable costs. ENA greatly appreciates the engagement undertaken by the AEMC on these processes.

The current consultation considers the need for revisions to technical processes to support delivery of services enabled by smart meters. ENA agrees that it is inevitable that there will need to be substantial changes to/from the current business to business (B2B) procedures due to the expanded range of services and players relating to smart meters.

However at this point in the development of the smart meter contestable framework it is difficult to be definitive about the requirements of the B2B approach to manage smart meter service requests and service response. This critically impacts whether a new process (a shared market protocol) is required or if expanded B2B procedures will be adequate for service delivery.

The Australian Energy Market Operator (AEMO) has been developing advice on the technical requirements for a shared market protocol. This advice is scheduled to be provided in February 2015, but has not yet been seen by the ENA. Unlike AEMC¹, ENA considers that this advice is critical to early assessment of the operation of a shared market protocol.

At this time, ENA is responding to this consultation on the assumption that the B2B process will demand capabilities and performance beyond that of the current B2B protocol, and that the shared market protocol will be required.

¹ AEMC, Consultation paper: implementation advice on the shared market protocol, 18 December 2014, p. 4

ASSESSMENT CRITERIA

The AEMC has identified the National Electricity Objective (NEO) as key assessment factor. The NEO is:

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

- (a) price, quality, safety, reliability and security of supply of electricity; and
- (b) the reliability, safety and security of the national electricity system.”

In addition, the AEMC identifies the following principles to support the NEO and guide the Commission's assessment and analysis of the shared market protocol:

- » **competition in demand side participation and related services, and competitive neutrality:** framework for a shared market protocol should promote and encourage the development and innovation of services;
- » **innovation of demand side participation (DSP) and related services:** framework should seek to ensure that innovation in the market is not stifled;
- » **innovation of demand consumer protection:** framework should have regard to appropriate consumer protections; and
- » **proportionality:** framework should provide a level of regulation that is proportional to the market's and consumers' requirements.

ENA endorses the above principles relating to innovation, customer protection and proportionality, and also considers the sub-phrase to the first principle (the need for a shared market protocol to promote and encourage development and innovation of services) to be an appropriate assessment guide.

The ENA is disappointed that the principles do not recognise network obligations relating to the reliability, safety and security of supply (as in the NEO) which can be supported by smart meter service outcomes. In the value assessments of the Victorian AMI rollout, these benefits have been identified as a significant supporter of investment in smart meters. ENA believes that there is scope for significant innovation in network data and services from meters.

Smart meters and communications systems/infrastructure will have a relatively long life and consideration of their capability and whether they will be stranded in the medium future because of limited capability should be a principle contemplated as part of the assessment of the shared market protocol regime.

KEY ISSUES

The AEMC consultation paper outlines the issues that will be considered by the Commission in developing its advice. This section of the ENA submission will identify our view on the issues raised by AEMC, plus additional key issues of concern to ENA.

The key issues to be considered include:

- » Coordination of development of policy solutions across numerous reviews and other processes;
- » the governance arrangements for developing and maintaining a shared market protocol;
- » how a shared market protocol will be defined in the NER;
- » interaction with the minimum functional specification,
- » the roles and responsibilities of parties with regard to a shared market protocol; and
- » transitional arrangements.

Attached at **Appendix 1** are the detailed questions on which AEMC is seeking input, with ENA responses.

COORDINATION

The AEMC deliberations on the shared market protocol are very closely linked to a range of related activities, including:

- » AEMC rule change on competition in metering and related services;
- » Australian Energy Market Operator (AEMO) review of the smart meter minimum functionality specification;
- » AEMO review of shared market protocol; and
- » Energy Market Reform Working Group (EMRWG) consideration of new energy products and services

While understanding the need for the AEMC to consider the implications of the range of issues arising from the Power of Choice review, ENA is concerned at the on-going separate consideration and finalisation of these inter-related matters in advance of the establishment of the overall metering competition framework.

As noted previously, ENA is particularly concerned that this process is commencing without the advice from AEMO on technical issues relating to the shared market protocol. Assessment and verification of the AEMO advice is essential in the view of ENA to making key decisions relating to the framework and operation of the proposed protocol.

Further, while indicative outcomes may helpfully be developed within subordinate reviews (including the consideration of the shared market protocol), in ENA's view final decisions on subordinate matters should be delayed until the key policy framework of the competition in metering has been established.

GOVERNANCE

AEMC considers two governance frameworks: industry-led decision making and decision making by AEMO. ENA agrees that these are the key potential governance models for development and operation of a shared market protocol.

ENA agrees that effective broad engagement with concerned parties is essential in order for responsible and appropriate decisions to be made to ensure that the shared market protocol meets the policy and regulatory expectations of COAG and the AEMC, meets the needs of the full spectrum of interest, and supports the provision of services by Participants and third party providers to customers.

ENA supports decision making relating to development and operation of the shared market protocol being led by an industry body, built upon the current Information Exchange Committee (IEC).

ENA accepts that details on the structure, membership and decision-making (voting) process will need to be revised to reflect the broader engagement across current market participants and other parties which may seek to be engaged.

Details of the new industry body, or revised IEC membership structure and terms of reference, should await finalisation of the policy framework for metering competition.

ENA considers that as the framework of metering competition and consideration of new roles in the market is developed, the structure and operation of an industry-led decision-making body for the shared market protocol can be appropriately established. Its structure may be formally reviewed periodically to ensure that representation remains appropriate.

In addition, provision of facilitation and secretariat services by AEMO and stipulation of formal processes of broad public consultation with stakeholders on key changes can be established.

When finalised in line with the metering contestability framework, the objectives and powers of the reconstituted IEC and the basis for selection of the committee should be clearly set out in the NER.

However, if a decision is made to support decision-making power resting with AEMO, ENA considers that the requirements for consultation and engagement by AEMO with industry and broader stakeholders will need significant enhancement and formalisation.

ENA considers that, regardless of the actual decision making body, the engagement process must ensure adequate and appropriate opportunities for open and transparent public consultation and engagement.

PRINCIPLES TO GOVERN THE SHARED MARKET PROTOCOL

AEMC notes that currently, IEC members are required to have regard to the B2B objective and principles when making decisions about B2B procedures. The B2B objective states that "*the benefits from B2B communications to local retailers, market customers and distribution network service providers as a whole should outweigh the detriments to local retailers, market customers and distribution network service providers as a whole*".

The B2B principles are that the procedures should:

- » provide a uniform approach to B2B communications in participating jurisdictions in which there are no franchise customers;
- » detail operational and procedural matters and technical requirements that result in efficient, effective and reliable B2B communications;
- » avoid unreasonable discrimination between local retailers, market customers and distribution network service providers; and
- » protect the confidentiality of commercially sensitive information.

While these principles provide reasonable guidance for current procedures, ENA considers that they should be revised to guide the new industry body as their responsibilities and operations are broader than the current IEC. This should be undertaken during consideration of the structure and operation of the industry body, after clarity on the policy framework for metering competition is established (as noted above).

ENA would welcome the opportunity to provide input into the establishment of amended B2B/shared market protocol principles.

INTERACTION WITH MINIMUM FUNCTIONALITY SPECIFICATION

The current AEMO advice on the minimum services specification differentiates between 'primary' and 'secondary' services. The primary services are predominantly associated with retail and market services, especially remote reading of interval data. When referring to 'minimum functionality', AEMC and AEMO appear to assume that this will only involve delivery of the 'primary' services.

AEMC notes that "*the parties using the shared market protocol may wish to have access to services or performance standards beyond the minimum functionality specification ... the shared market protocol may need to provide for that wider range of services and performance standards. While it might not be necessary for it to provide for the 'maximum' market expectations possible, to allow it to meet the needs of most parties it would be beneficial for it to manage most common transactions*".²

This issue is critically important to networks as the current AEMO proposed minimum service specification identifies several critical 'network services' as secondary (non-mandatory) services, the availability of which may be subject to negotiation.

ENA understands that the delineation of the minimum services specification is to be decided by AEMC within the context of the competition in metering rule change. Consequently, resolution of this issue is also significantly dependent upon that policy framework and is difficult to decisively address in advance.

As previously advised to the AEMC, ENA considers that the new metering framework needs to:

- » enable a competitive, open and fair market for demand side services;
- » benefit customers through economic achievement of future network operational benefits
- » facilitate broader adoption of smart meters while minimising cross-subsidies and any associated price impact on customers
- » enable a transition to cost reflective network tariffs as quickly as practicable
- » maintain current network services and efficiently leverage existing investments.

² AEMC Consultation Paper Implementation advice on the shared market protocol, 18 December 2014, p. 12

Current indications from the AEMC from recent consultation on the proposed metering framework are that obligations for service delivery from MCs may be limited to metering data required for market services, with other services reliant upon commercial agreement.

ENA considers that for the full benefit of smart metering infrastructure to be realised, it is essential that the shared market protocol has the capacity to deliver the range of proposed primary and secondary services, including network services. If this is not enabled, it is likely to result in development of varying transactional arrangements that increase the overall cost and restrict the long term benefits to customers.

Notably, delivery of smart metering services will be dependent upon adequacy of service levels; communication system capacity; and cost effective delivery of services. The metering framework will also need to provide:

- » Sufficient guidance on service levels in the draft determination and the draft rules to ensure the regime will achieve effective network-related smart meter services,
- » Clarification of communication requirements to support remote reading, and
- » Support for cost effective access to services by all participants in the long term interests of customers. ENA supports light-handed regulation to ensure appropriate access to services from MCs.

ROLES AND RESPONSIBILITIES

The AEMC notes their advice seeks to include any roles and responsibilities of parties using the shared market protocol that should be included in the NER.

AEMC notes that a key difference between the existing B2B e-hub and the shared market protocol will be the range of parties that use it. Currently there is a defined set of users for the B2B e-hub, with all users being registered participants or otherwise authorised by AEMO. As the market for advanced metering services develops, third party energy service providers that have no other obligations within the electricity market may wish to use the shared market protocol.

AEMC seeks views on whether some form of authorisation or accreditation by AEMO is necessary to protect against the risks involved in third parties using the shared market protocol and whether these requirements should be specified in the NER.

AEMC notes that some of these risks relating to third parties may be addressed through the competition in metering

rule change process. A third party may have a contractual relationship with the metering coordinator and have completed an authorisation process to access the advanced metering services and that "This may mean that further requirements may be unnecessary"³.

Furthermore, ENA notes that consideration of the roles and responsibilities of third parties potentially cuts across the consultation paper from Energy Market Reform Working Group (EMRWG) on new products and services, which is currently open for consultation until 20 March 2015⁴.

ENA considers that this is a further example of the need for consultation across the range of related processes and ensuring that subordinate technical reviews do not jeopardise major policy outcomes.

As stated previously, ENA considers that subordinate processes, such as the shared market protocol review, should provide indicative outcomes only for input into major framework reviews for final decision. In principle, ENA considers that authorisation or registration of third parties using the shared market protocol is likely to be needed, but final decision on how this should operate should await outcomes from the metering rule change and EMRWG consultation.

TRANSITIONAL ARRANGEMENTS

AEMC touches upon the likely need for transitional arrangements from AEMO B2B processes to operation of the shared market protocol.

ENA considers that transitional arrangements will be required.

There is likely to be a need for the current B2B e-hub to be maintained beyond the implementation of the shared market protocol to accommodate current market participants that have no plans to operate in the smart metering environment, but will continue providing basic type 5 or 6 metering services (until they may transition to an alternative service provider).

However, this will be a technical and process issue for consideration when conclusions have been reached relating to the structure, governance and operation of the shared market protocol.

Further, such transitional arrangements should be considered under the auspices of the final B2B e-hub and shared market protocol governance structure(s).

³ Ibid, p. 13

⁴ <http://www.scer.gov.au/workstreams/energy-market-reform/demand-side-participation/new-products-and-services-in-the-electricity-market/>

APPENDIX A: ENA RESPONSES TO QUESTIONS IN AEMC CONSULTATION PAPER

Subject	Qu no.	Question	Proposed ENA response
Governance:	1	What are the advantages and disadvantages of the different governance models?	<p>ENA notes the review of basic advantages and disadvantages of the governance models within the AEMC consultation paper. However, ENA considers that the key issues is effective and efficient decision making taking into account the critical cost impacts on industry participants, which will be passed on to customers.</p> <p>ENA favours continuation of the industry led model, with appropriate amendment of the IEC to reflect balanced representation of affected parties and its broader service functionality.</p> <p>ENA considers that the decision-making process should be with industry but recognize that AEMO will have a key input to outcomes and have an important facilitation role.</p>
	2	Could the challenges around membership and voting for an industry led model be addressed? If so, how?	<p>ENA considers that challenges on representation and voting can be addressed to ensure fair representation of users, both industry participants and third party representatives, and achievement of objectives. Challenges such as this are not unique to the energy industry.</p> <p>ENA considers that membership and voting rules would need to be clearly structured so that no one industry participant can dominate the decision making, but that the valid interests of all parties are taken into account.</p> <p>All relevant parties should have the opportunity to consider the membership and voting arrangements in advance of implementation. ENA would welcome the opportunity for engagement with other stakeholders to consider in detail the balance and operation of revised industry oversight body.</p>

Subject	Qu no.	Question	Proposed ENA response
	3	Are there any other issues or factors relevant to considering an appropriate governance model?	ENA considers that issues relating to funding, legal liability for decisions, and systems and procedures will need consideration, as well as consideration of arrangements for dispute resolution.
	4	Are there any other governance models that could be appropriate for the shared market protocol?	ENA considers that the two options put forward – either governance by industry through an expanded IEC, or by AEMO – are the two realistic options.
Objectives and principles:	5	Should implementation of a shared market protocol include the development of an objective or principles for governance?	ENA considers that objectives and principles of governance for the implementation and operation of a shared market protocol will be required, given that the current IEC objectives principles will need expansion.
	6	If yes, what objectives or principles should be included?	<p>ENA considers that more direct linkage to the NEO will be required within the principles and objectives.</p> <p>The matters ENA considers need more explicit recognition include:</p> <ul style="list-style-type: none"> • The importance of security to: <ul style="list-style-type: none"> (a) protect customers from unauthorised access to data (b) protect customers and network from unauthorized execution of meter functions such as disconnect or load switching. (c) to ensure validity of information provided as far as equipment and its association with the correct NMI • clear auditability / accountability. • requirements for user consultation processes should be included, appropriate to the scale of changes under consideration at any time.

Subject	Qu no.	Question	Proposed ENA response
	7	If the governing body is AEMO, should there be any objectives or principles in addition to the NEO?	<p>ENA does not support AEMO as decision maker but, if it is, ENA considers that similar issues as above should be considered.</p> <p>In addition, if AEMO was to be the governing body, there would need to be a principle regarding proactively leading the upgrading and enhancement of the SMP to meet evolving requirements.</p>
Minimum Specification:	8	Should the shared market protocol be required to provide for (as a minimum) the services that are listed in the minimum specification?	<p>ENA believes that the shared market protocol must include (as a minimum) all the services that are ultimately listed in the minimum specification. (However, as noted elsewhere, the ENA notes that it considers the Primary Services are too narrowly defined in the current AEMO and AEMC documentation.)</p> <p>These are services that each MC must ensure the installed infrastructure can provide to potential users of the service.</p> <p>To mandate infrastructure (via the service specification and New & Replacement Policy) without a common access mechanism would only partially achieve the AEMC's policy objectives for the Contestable Metering regime.</p> <p>The standardisation of the shared and common business communications will avoid proprietary and closed protocols being used as barriers to competition and allow third parties to interact across the entire NEM.</p>
	9	Should the shared market protocol also include other common services that are not mandatory under the minimum specification?	<p>ENA believes that the shared market protocol should be appropriately broad to include common meter services which may be requested. This should at least include all the identified Secondary Services listed in the AEMO advice to COAG, noting these are already available within Victoria to over 2,000,000 meter/customers.</p> <p>It is noteworthy that in Victoria the secondary services identified in AEMO's advice to COAG Energy Council on minimum services</p>

Subject	Qu no.	Question	Proposed ENA response
			<p>specification for smart meters are part of the Victorian mandated smart meter rollout and are being further developed and utilised by the Victorian distribution businesses.</p> <p>The inclusion of a service in the Shared Market Protocol is a separate consideration to whether a regulatory obligation ensures that the service must be provided. It ensures that when or if the service is offered, the shared and common business communications are standardized (although they may be varied bilaterally by agreement). Where a meter provider or other party intends not to supply or utilise these services they would simply avoid constructing and operating business communications capability to support these exchanges.</p> <p>The standardisation of the shared and common business communications will:</p> <ul style="list-style-type: none"> • avoid proprietary and closed protocols being used as barriers to competition • Reduce users' and ultimately whole of industry costs by enabling use of a single mechanism across multiple service providers, and • allow third parties to interact across the entire NEM. <p>The AEMO identified Value Added Services, which again are derived from the balance of capability identified in the Victorian and National Smart Meter Specifications, should also be included in the shared protocol for the same reasons as above.</p> <p>Where unique services beyond the list identified in the AEMO advice and those derived from the existing Smart Meter Specifications are developed and contracted commercially between individual parties then those unique services need not be defined or transacted within the Shared Market Protocol unless the governing body determines their emerging use likely to become widespread and therefore would benefit from being incorporated into the Shared Market Protocol.</p>

Subject	Qu no.	Question	Proposed ENA response
			<p>If the shared market protocol does not have the capability and flexibility for future enhancements, service providers and service receivers will have to work outside it with increased overall costs and ultimately the shared market protocol will become less relevant and potentially redundant.</p>
Roles and responsibilities	10	<p>Is it appropriate that the metering coordinator be required to offer its services through the shared market protocol, unless otherwise agreed?</p>	<p>Yes. MCs should be required to offer standard services via the shared protocol, regardless of what else they do in individual arrangements, in order to ensure consistency and cost-effectiveness and ensure service provision approach is largely seamless if metering coordinators change. (However, as noted elsewhere, the ENA also notes that it considers the Primary Services are too narrowly defined in the current AEMO and AEMC documentation.)</p> <p>Where new and innovative services are developed and contracted commercially between individual parties then those unique services need not be defined or transacted within the shared market protocol unless the governing body determines their emerging use to be likely become widespread and therefore benefit from being incorporated into the Shared Market Protocol.</p>
	11	<p>Are there any risks in allowing third parties to access a shared market protocol platform?</p> <p>If so, would it be necessary to develop a separate authorisation process for users of the shared market protocol?</p>	<p>Yes, there would be significant potential risks in terms of customer privacy, inappropriate disconnection or load switching. The range of smart meter services being considered represent a significant step increase in the potential customer impact compared with the common services now offered from meters.</p> <p>These third parties would need to be either significantly limited in their access and activity, or alternatively require to be accredited / authorised and audited in terms of their capability and compliance as are existing participants and service providers.</p>

Subject	Qu no.	Question	Proposed ENA response
		Is AEMO the appropriate body to develop these requirements?	<p>As noted previously, this issue is currently under consideration by a separate process of consultation by the EMRWG relating to new products and services.</p> <p>Yes, AEMO should develop these requirements with industry input once the metering contestability and regulation of new products and services has been finalised through the policy framework processes underway.</p>
Transition	12	Is there a need for the current B2B e-hub to be maintained beyond the implementation of the shared market protocol? What factors would need to be considered when making this assessment?	<p>The ENA consider it important that there be a clear expectations established and agreed for the implementation of the new SMP, which recognises the various interfaces and transactions currently being handled through the B2B e-hub. The motivation to maximise meter churn activity may drive an outcome which minimises costs to new MC businesses and their service providers by only requiring use of the new SMP for services. However given the key interfaces reliant on the current interface (metering data and re/de-energisation) the ENA would be concerned if cash flow and customer impacts were not given required weight in a decision with respect to transition to the new SMP.</p> <p>However provided this broad spectrum of factors is formally recognised and "protected", this matter should be left to implementation and transition discussion between AEMO, retailers, distributors and the other parties registered on the e-hub. The governance body will need to consider a staged implementation approach as part of consultation.</p> <p>The NER should not lock in the implementation or transition date. The transition should be managed to ensure that all parties are ready to operate the primary services and any other services being utilised</p>

Subject	Qu no.	Question	Proposed ENA response
			<p>without impacting customers. There will need to be a managed industry testing program and readiness level for parties to transact using the new arrangements. The industry agreed success criteria should be met and a Go decision made that ensures the transition is seamless for customers and industry interfaces.</p>
	13	<p>Could all the services that are currently provided through the current B2B e-hub be provided via the shared market protocol?</p>	<p>As ENA has noted in the submission above, there are key policy decisions which need to be made before the detailed procedural and process issues can be settled.</p> <p>ENA believes that it is inevitable that there will need to be substantial changes to/from the current business to business (B2B) procedures due to the expanded range of services and players relating to smart meters.</p> <p>However at this point in the development of the smart meter contestable framework it is difficult to be definitive about the requirements of the B2B approach to manage smart meter service requests and service response. This critically impacts whether a new process (a shared market protocol) is required or if expanded B2B procedures will be adequate for service delivery.</p> <p>The governing body may need to consider the impact of the implementation on current services as part of the process.</p>
	14	<p>Would there be an advantage in having a transition period during which both the B2B e-hub and the shared market protocol operate? How long should such a period be? Would the costs of operating both systems for this period be justified?</p>	<p>There are a number of potential aspects of a transitional arrangement(s) which need to be considered:</p> <ul style="list-style-type: none"> • Should new services eg NMI enquiry or load control be implemented in both B2B e-hub and SMP? • Should existing services which will be delivered by smart meters eg metering data and re/de-energisation, be maintained in B2B e-hub and also implemented in the SMP?

Subject	Qu no.	Question	Proposed ENA response
			<ul style="list-style-type: none"> Should existing services which are delivered in B2B e-hub eg new connections, customer and site details, network billing be implemented in SMP? <p>ENA is not in a position to answer these questions, nor provide the additional detail with respect to specifying a time period for such an overlap. However, ENA expects that a transition period with both B2B and Shared market protocol is likely to be required and that details of the transitional arrangements may be different for the various categories of service identified above.</p> <p>There would be significant advantage in having a transition period to ensure the shared market protocol was functioning efficiently for transfer of existing B2B transactions as well as managing new relationships/services.</p> <p>As noted above, the detail on this issue should be agreed and managed via the governance group with a well considered (possibly staged) implementation plan.</p>
	15	Are there any significant implications should the shared market protocol not be operational on the same day that any changes from the expanding competition in metering and related services rule change take effect?	<p>Yes, however the degree of impact will be dependent on the transitional arrangements which are in place and the demand for the service on day 1. For services for which no transitional arrangements are planned ie potentially any new services, and where these services are required to maintained to ensure business continuity, the implications are that interim processes will need to be built and implemented, or business impacts sustained. Any interim processes would be manual and time consuming, and/or built into the current B2B e-hub processes, adding inefficiency and cost.</p> <p>For example:</p> <ul style="list-style-type: none"> A distributor who has installed meters with load control features for hot water or other defined load. They are activating the load control and making parameter changes

Subject	Qu no.	Question	Proposed ENA response
			<p>remotely. If their meter is exchanged on day 1 then maintenance of the load control will be difficult without the SMP in place.</p> <ul style="list-style-type: none"> In Victoria a distributor is utilising a wide range of smart meter services from their rolled out smart meter; this could include control room support, load monitoring, etc. Again without the SMP the distributor will lose these services <p>Further where a party is implementing new business processes on the basis of smart meter services being available day 1, the financial investment in those processes will not deliver returns until the SMP is in place.</p> <p>The SMP will need to cater for all primary and secondary services and all meter types on day 1, including full test plans to ensure parties are capable to transact and to ensure continuity of data to the market and to ensure customers do not lose access to current services such as DNSP controlled load tariffs.</p> <p>Where a counter party to a transaction has not yet updated their systems then there may be benefit in AEMO having some sort of translator. This should be left to industry to assess the implementation options and the most appropriate cost/risk approach to be taken. Where the need for the SMP is driven by the performance restrictions of the B2B e-hub the concept of a translator may offer minimum benefit.</p> <p>For Victoria, there are many servicing and metering transactions in this "direct connected" segment of the market that differ dramatically from the existing "CT connected" market that are not yet defined sufficiently outside the LNSPs for third party Metering Providers to take over and manage without an agreed and implemented shared market protocol and instead there will be inefficient investment on proprietary interfaces that will directly undermine metering</p>

Subject	Qu no.	Question	Proposed ENA response
			competition. ENA considers that metering changes should not be introduced until shared market protocol is in place otherwise potential enhancements will be duplicated in existing and new systems and will also increase rework.