



MINUTES

| | |
|----------------------|---|
| MEETING: | Information Exchange Committee |
| DATE: | Monday 16 July 2018 |
| TIME: | 9:30 AM |
| LOCATION: | TELECONFERENCE: MELBOURNE, BRISBANE AND SYDNEY |
| MEMBER ATTENDEES: | Mr John Pittard, AEMO director (IEC Chair) Mr Chris Murphy, Powershop (discretionary, alternate retailer representative) Ms Stef Macri, AEC (alternate, retailer member) Mr Marco Bogaers, Metropolis (discretionary, metering representative) Mr Dean Van Gerrevink, Vector (metering member) Mr David Havyatt, Energy Consumer Australia (consumer member) Mr Adrian Hill, Ausnet (discretionary, distributor representative) Mr Peter Price, Energy Queensland (distributor representative) |
| ALTERNATES: | Ms Stef Macri, Australian Energy Council (alternate, retailer member) Mr Chris Murphy, Powershop (discretionary, alternate retailer representative) |
| APOLOGIES: | Mr David Markham, Australian Energy Council (retailer member) Mr Peter Van Loon, Powershop (discretionary, retailer representative) Ms Violette Mouchaileh (IEC Secretariat) |
| IN ATTENDANCE: | Ms Michelle Norris (Acting as IEC Secretariat) Mr Justin Betleham (AEMO, B2B Working Group Representative Ausnet) Mr Jackie Krizmanic (AEMO, B2B Working Group Chair) |

The Chair opened the meeting at 10:00 AM

1. Apologies

The apologies were noted as above. Alternatives for all members were present. A quorum was present for this meeting.

2. Member's Declarations of Interests

The Committee noted there were no conflicts of interest declared.

3. Matters for Decision

There was only one Agenda Item for this meeting, that being the requirement for a decision on whether to proceed with the publication of the updates to the B2B procedures relating to life support.

B2B Procedures Changes – Life Support – IEC discussion

The IEC agreed that there had been a reasonable chronology of decision making which it had employed to evaluate potential solutions for industry to enable it to meet their obligations relating to life support which will come into effect on 1 February 2019. The IEC noted during the course of their discussions that the following options had been considered:

- Initial proposed solution was to utilise email to communicate information between market participants;
- Early feedback was that this was not a viable option for many market participants. This early feedback was supported by the consultation feedback and that from the B2B Working Group;
- A number of market participants also noted that the ongoing cost of managing an email solution could be significantly higher than building a B2B solution; and
- A 'strawman poll' was conducted by AEMO with those organisations who provided a response to the first round consultation and all members (including corresponding members) of the B2B Working Group.

Based on the poll results, the B2B Working Group and the IEC agreed that a B2B transaction using the Low Volume Interfact (LVI) on balance, was the most viable option in the short term, with consideration to be given to a longer term solution of a centralised database.

Based on these discussion and IEC decisions, consultation progressed with the email solution.

Mr David Havyatt noted that from a consumer perspective, the B2B transaction using a LVI was likely to provide greater protections.

Small retailers (predominantly those based only in Victoria) raised a number of concerns with their IEC representatives regarding the solutions that were proposed.

Concerns raised by various members during the IEC discussion included:

- The impact of the use of the LVI solution for life support on some retailers current systems due to the inability of the B2B system to differentiate the life support information from other information ;
- Ability to be compliant under the timeframes as determined by the new rule;
- The length of time that the B2B LVI solution was going to be in place, and the length of time until the centralised solution would be developed;
- A number of small retailers who weren't engaged in the first round of consultation because they supported the email approach were not engaged in the 'strawman poll'; and
- The rule changes for life support do not apply in Victoria so retailers that only operate in Victoria do not need to implement these changes because they do not apply by law for them and the IEC does not have the authority to impose new obligations on participants that are not supported by legislative obligations.

The Chair asked Mr Peter Price to provide an overview of distributor feedback. Mr Price noted the following:

- A number of DNSPs have system concerns, whilst other DNSPs agree that the B2B solution was the appropriate approach (and it was unlikely there would be a solution that suited all participants and all jurisdictions);
- DNSPs concerns are potentially different to small retailer concerns in that the DBs are funded through a regulatory process meaning that issues around cost recovery of system changes are different than for retailers; and
- Victorian DNSPs all currently receive B2B transactions and can receive life support notifications initiated from retailers by the B2B LVI.

The IEC collectively acknowledged the following issues:

- The challenges for all market participants to meet the timeline of 1 February 2019 for implementing suitable automated processes for life support;
- The challenges of smaller retailers whose systems will not support the manual application of the LVI without the need to update the schema, and who do not have the resources to check all automated messages using the LVI to find the life support cases. The IEC has asked AEMO to investigate whether it is possible to have transactions raised via the LVI to be treated differently than those transactions that are sent via an automated gateway. AEMO was requested to organise a meeting with interested small retailer representative in co-ordination with David Markham to discuss options. Alternatively market participants can develop alternative solutions via bilateral agreements to meet their obligations (**Action Item 1**);
- Based on the discussions within the IEC meeting, minor updates will be required to the consultation feedback to participants. This will include an updated statement in the B2B Procedures noting that these obligations are not mandatory in Victoria (**Action Item 2**);
- That AEMO is to report back on the the viability of establishing a central repository to hold life support information (**Action Item 3**); and
- The differences between those states where the NECF legislation applies and Victoria which has different requirements for life support, noting that it would be prudent to understand any potential for changes to the Victorian frameworks relating to life support (**Action Item 4**).

AEMO also noted that a draft of an updated B2B Guideline will be released and the B2B Working Group will review comments on the guideline. The updated B2B Guideline will be published with the procedures on 1 February 2019 (**Action Item 5**).

The Chair confirmed that all IEC representatives were satisfied with the discussion and the proposed Action Items.

The IEC representatives asked that Justin Betleham pass on the thanks of the Committee to the B2B Working Group for their efforts relating to the life support procedures and consideration of consultation feedback.

IEC DECISION - B2B Procedures Changes – Life Support

The Chair proposed that the IEC endorse the release of the B2B procedural changes and final consultation report for life support for AEMO publication on 26 July 2018 (**Action 6**).

Actions from the meeting

There were a number of **Actions** stemming from the discussion with IEC members and B2B Working Group representatives as noted in the minutes. A summary is provided below.

Action Item 1

AEMO to investigate whether it is possible to have transactions raised via the LVI to be treated differently than those transactions that are sent via an automated gateway.

AEMO was requested to organise a meeting with interested small retailer representative in co-ordination with David Markham to discuss options.

Action Item 2

The B2B Working Group to review the consultation feedback comments and ensure that these are consistent with discussions in the IEC meeting prior to publication. This will include an updated statement in the B2B Procedures noting that these obligations are not mandatory in Victoria.

Action Item 3

AEMO is to report back to the IEC on the viability of establishing a central repository to hold life support information.

Action Item 4

The IEC Secretariat is to contact the Victorian Essential Services Commission to understand whether any changes are proposed to the Victorian life support requirements, in particular, whether there are any plans to align with the NECF framework.

Action Item 5

AEMO is to update the B2B Guideline to reflect the changes to the B2B Procedures. This updated Guideline will be reviewed by the B2B Working Group.

Action Item 6

AEMO is to publish the updated B2B Procedures and Guideline on 1 February 2019.

Meeting Close

The Chair confirmed that the next meeting will be in mid to late September 2018.

The Chair closed the meeting at 11.20 AM.

.....

John Pittard

Date: 14 August 2018

IEC Chair