



# POWER OF CHOICE PROCEDURE CHANGES (PACKAGE 1)

CONSULTATION PAPER

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## EXECUTIVE SUMMARY

The publication of this Consultation Paper commences the first stage of the National Electricity Rules (NER) consultation process conducted by AEMO to consider proposed amendments to procedures and to develop proposed new procedures to take into account the following amendments to the NER (each an “Amending Rule”):

- National Electricity Amendment (Expanding competition in metering and metering related services) Rule 2015.
- National Electricity Amendment (Embedded Networks) Rule 2015.
- National Electricity Amendment (Meter Replacement Processes) Rule 2016.

AEMO has prepared a Response Template to facilitate feedback from stakeholders about the most efficient way to amend relevant procedures and develop new procedures to take into account the amending Rules.

AEMO invites stakeholders to suggest alternative options where they do not agree that AEMO’s proposals would achieve the relevant objectives.

AEMO also asks stakeholders to identify any unintended adverse consequences of the proposed changes.

Stakeholders are invited to submit written responses on the issues and questions identified in this paper and the proposed new procedures and changes to the procedures by **5.00 pm (Melbourne time) on 31 May 2016**.

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# 1 Stakeholder Consultation Process

As required by the Amending Rules, AEMO is consulting in accordance with the NER consultation procedures in clause 8.9 of the NER. AEMO's indicative timeline for this consultation is outlined below.

DELIVERABLE	INDICATIVE DATE
Consultation Paper published	22 April 2016
Submissions due on Consultation Paper	31 May 2016
Draft Report and Determination published	30 June 2016
Submissions due on Draft Report and Determination	15 July 2016
Final Report and Determination published	26 August 2016

Prior to the submissions due date, stakeholders can request a meeting with AEMO to discuss any issues and proposed changes including the proposed changes raised in the Consultation Paper.

## 2 Background

### 2.1 NER requirements

AEMO is required to amend and publish procedures and develop and publish new procedures to take into account the Amending Rules in accordance with the NER consultation procedures in clause 8.9 of the NER.

The following is a list of the procedures AEMO is proposing to develop and amend (as appropriate). The NER Reference in the table is a reference to the clause in the NER as amended by the Amending Rules.

INSTRUMENT	NEW / AMENDED	NER REFERENCE
Emergency Priority Procedures <sup>1</sup>	New	7.8.5(b)
Glossary and Framework	New	N/A <sup>2</sup>
Meter Churn Procedure <sup>3</sup>	Amended	7.8.9(f)
Meter Data File Format	Amended	7.16.6
Metrology Procedure: Part A	Amended	7.16.3
Metrology Procedure: Part B	Amended	7.16.3
Minimum Services Specification <sup>4</sup>	New	7.8.3(b)
MSATS Procedures: CATS Procedure Principles and Obligations	Amended	7.16.2
MSATS Procedures: MDM Procedures	Amended	7.16.2
MSATS Procedures: Procedure for the Management of Wholesale, Interconnector, Generator and Sample (WIGS) NMIs	Amended	7.16.2
NEM RoLR Processes: Part A - MSATS Procedure: RoLR Procedures; and Part B – B2B Procedure	Amended	7.16.2
Network Device Procedure <sup>5</sup>	New	7.8.6(i)
NMI Standing Data Schedule	Amended	3.13.12
Service Level Procedures for MDP	Amend	7.16.6
Service Level Procedures for MP	Amend	7.16.6

<sup>1</sup> To be included in Metrology Procedure: Part A

<sup>2</sup> This document is incorporated into and forms part of all the other Procedures

<sup>3</sup> To be included in Metrology Procedure: Part A

<sup>4</sup> To be included in Metrology Procedure: Part A

<sup>5</sup> To be included in Metrology Procedure: Part A

## 2.2 Context for this consultation

In 2012 the AEMC commenced the Power of Choice Review. The objective of the review was to ensure that the community's demand for electricity services was met by the lowest cost combination of demand and supply side options. This objective was best met when consumers were using electricity at the times when the value to them was greater than the cost of supplying that electricity (i.e. the cost of generation plus poles and wires). In parallel, the AEMC also considered a review on energy market arrangements for electric vehicles.

The recommendations of these reviews are being implemented through a series of NER changes since then.

The scope for this consultation is limited to the procedures AEMO is required to amend and develop by 1 September 2016 in accordance with the Amending Rules.

## 3 Stakeholder engagement

In the process of drafting these Procedures, AEMO held three workshops with industry representatives to discuss specific topics relating to matters arising from the Amending Rules. The aim of the workshops was not to relitigate the Amending Rules, but to focus on topics where AEMO needed further input and information from stakeholders to amend or develop the Procedures.

The workshops held were:

- Workshop 1 (held on 3-4 February 2016), where the key issues discussed were:
  - Identification of type 4 metering
  - Validation and substitution for type 4
  - Sample metering
  - Network device management requirements
  - Emergency priority requirements
  - Meter churn
- Workshop 2 (held on 15-16 February 2016), where the key issues discussed were:
  - MSATS requirements
  - Change Request Codes
  - Objection code review
  - B2B requirements
  - RoLR requirements
  - Network Tariff Code Updates
- Workshop 3 (held on 2 March 2016), where the key issues discussed were:
  - Minimum Services Specification
  - Embedded Networks
  - Metrology Requirements – Revisited
  - Metrology Part A – Jurisdictional Matters

## 4 Issues raised for consultation

These issues and the related discussion are presented in more detail in the Information Paper - Procedure Changes (Information Paper) that was published by AEMO on 8 April 2016.

During the process of drafting the proposed new and amended Procedures, AEMO considered it an opportune time to rationalise the affected suite of procedures. In doing so, AEMO has put forward a New Procedure Framework, and adopted a set of drafting principles. The framework is explained in detail in Section 3 of the Information Paper.

To assist stakeholders in understanding the changes made to the Procedures, AEMO will also publish a mapping document that details how the old procedures translate into the amended procedures.

## 5 Drafting for proposed changes

To help stakeholders and other interested parties respond to this Consultation Paper, AEMO has published drafts of the Procedures listed in section 2.1 incorporating the proposed changes. Clean and change-marked versions are available at: <http://aemo.com.au/Consultations>.

As noted in the Issues Paper, AEMO adopted a set of drafting principles that has necessitated changes that are designed to streamline the Procedures, remove duplication, align the content better with the subject of each Procedure and cleaned up any content that should have been deleted as a result of previous changes to the NER. The terminology has been streamlined so that only one term is used for a concept and drafting errors/typographical errors were also corrected.

Stakeholders will note that formatting changes will not be visible in the mark-up versions of the Procedures. They were removed as they were distracting.

## 6 Summary of amendments to Procedures

All procedures have undergone drafting enhancements in accordance with the principles set out in AEMO Information Paper (section 3); and changes to rule references in accordance with the Amending Rules. The sections below provide a summary of specific amendments proposed in each procedure.

### 6.1 Retail Electricity Market Procedures: Glossary and Framework

This is a new document that is intended to contain a brief explanation of the basis for each document referred to and house a common glossary for all Procedures. This reduces duplication from having terms defined in each Procedure and is intended to ensure that consistent terminology is used throughout Procedures. The Glossary and Framework is incorporated into and forms part of all the other Procedures.

AEMO anticipates that, over time, this will incorporate the document currently held on AEMO's website called 'List of Procedures authorised under Chapter 7 of the NER'.<sup>6</sup>

### 6.2 Metrology Procedure: Part A

At a high-level, the proposed changes are as follows:

- Replacment of references to Responsible Person (RP) with Metering Coordinator (MC);
- Included provisions for type 4A metering installations;
- Included provisions for small customer metering installation;
- Included new Minimum Services Specification;
- Included new Emergency Priority Procedure;
- Included new Network Device Procedure;

<sup>6</sup> Available at: <http://www.aemo.com.au/Electricity/Policies-and-Procedures/Retail-and-Metering>

- Included amended Meter Churn Procedures; and
- Review of Jurisdictional Metrology Material, subject to confirmation from jurisdictions as to acceptability of the proposed changes.

AEMO is also required to publish a Minimum Services Specification, Emergency Priority Procedures, Network Device Procedures and Meter Churn Procedures. However, AEMO considers the substance of these did not warrant the creation of four new procedures. Therefore, AEMO considered it appropriate to incorporate the material that would have formed the basis for these four procedures into the Metrology Procedure: Part A.

AEMO wishes to highlight the Emergency Priority Procedures and recognises the difficulty expressed by industry during the POC workshops as to the manner in which AEMO should address the requirement to produce these procedures. AEMO concurs that this is not an easy matter for implementation. AEMO's proposed procedures are detailed in section 14 of the Metrology Procedure: Part A. AEMO considered the established emergency management framework in the NEM when determining the relevant criteria and welcomes feedback on the proposal.

### 6.3 Metrology Procedure: Part B

At a high-level, the proposed changes are as follows:

- Replacement of references to RP with MC;
- Inclusion of validation, substitution and estimation provisions for type 4A metering installations. These provisions are those currently applied to other manually read interval metering installations;
- Inclusion of differentiated validation and substitution rules for instrument-transformer-connected and non-instrument-transformer-connected type 4 metering installations;
- Inclusion of differentiated substitution rules for metering installations installed under clauses 9.9A, 9.9B and 9.9C of the NER;
- Inclusion of Type 16 Agreed Method with the period of substitution being extended to fifteen days for metering installations other than types 1, 2 and 3; and allowing the MDP to make reasonable endeavours to reach an agreement with relevant parties; and
- Inclusion of Type 20 Churn Correction substitution method to account for situations where the current MDP does not receive churn day metering data from the previous MDP. Type 20 substitution method is not based on historical data.

### 6.4 Service Level Procedure: Metering Data Provider Services

At a high-level, the proposed changes are as follows:

- Replacement of references to RP with MC;
- Inclusion of provisions for the collection, processing and delivery of metering data for type 4A metering installations. These provisions are those currently applied to other manually read interval metering installations;
- Inclusion of provisions for the MDP to deliver metering data to all registered participants (including the MC) unless there is an agreement to the contrary between the relevant parties;
- Inclusion of provisions for MDP's to de-activate the data-stream/s where a child connection point has moved to be part of an embedded network; and
- Inclusion of type 4A metering installations in the meter churn scenarios.

### 6.5 Service Level Procedure: Meter Provider Services

Due to the substantial volume of changes required in content and format, a new document has been created in preference to marking changes to the current document. In addition to the general update of the document, at a high-level, the proposed inclusions are as follows:

- Inclusion of the role of MC;
- Inclusion of the requirements for test plans;

- Inclusion of commissioning requirements for instrument-transformer-connected and non-instrument-transformer-connected metering installations;
- Inclusion of any relevant requirements from the current AEMO document, 'Metering Asset Management Plans: Information Paper';
- Inclusion of relevant material from the Metrology Procedures;
- Inclusion of provisions covering type 4A metering installations;
- Inclusion of provisions covering small customer metering installations; and
- Inclusion of provisions covering embedded networks.

## 6.6 Meter Data File Formation Specification

At a high-level, the proposed changes the changes are merely corrections of terminology and removal of redundant requirements.

## 6.7 MSATS Procedures: CATS Procedure Principles and Obligations

At a high-level, the proposed changes are as follows:

- Replacement of references to RP with MC;
- Inclusion of provisions covering type 4A metering installations;
- Inclusion of provisions covering small customer metering installation;
- Inclusion of new Change Request (CR) Codes for new permissible transactions and deletion of redundant Change Request Codes;
- Inclusion of provisions covering embedded networks;
- Drafting improvements and clarification. For example, deletion of text that is either irrelevant, not required, duplication of the NER, expired, or redundant;
- Deletion of the following CRs:
  - CR 1050, and 1051 Change Retailer Where FRMP is not the RP – LARGE;
  - CR 1090, and 1091 Change Retailer – Embedded Network – Where FRMP is NOT the RP – LARGE;
  - CR 2520, and 2521 Create NMI – Metering Installation Details and MDM Datastream for Embedded Network (Child) – Small or Large.
- Inclusion of provisions indicating that the MC is the new role replacing the RP role. However, in the MSATS system the RP role id will still be used for MC;
- Inclusion of provisions indicating that the Embedded Network Manager (ENM) is the new role responsible for child connection points. However in the MSATS system the LNSP role id will be used for ENM;
- Deletion of the “BADMETER” objection code, and updated descriptions and usage of other objection codes;
- Inclusion of new NMI Status codes for:
  - “R” for Remotely Disconnection NMI;
  - “N” for off market child NMI.
- Inclusion of new Metering Installation Type codes for:
  - “COMMS4D” for Whole Current small customer metering installation that meets the minimum services specifications ;
  - “COMMS4C” for Current Transformer connected small customer metering installation that meets the minimum services Specification;
  - “MRAM” for small customer metering installation – Type 4A;
  - “VICAMI” for a relevant metering installation as defined in 9.9C of the NER.

- Restructuring of section 6 Change Retailer – SMALL or LARGE as a sample to indicate AEMO’s proposal for changing the structure of all the Change Request sections within MSATS;
- Deletion of the validation related to FRMP must be RP from all 1000 series change requests;
- Changed the initiating role for the following CRs from the Local Retailer to the ENM:
  - CR 2020, and 2021 Create NMI – Create NMI Embedded Network (Child) – Small or Large;
  - CR 5060, and 5061 Maintain NMI – Change NMI Embedded Network (Child) – Small or Large.
- Changed the requirement for MP to be mandatory instead of optional for providing the value of “Network Tariff Code” in the CR 3000 series;
- Changed the initiating role from the “RP who is the LNSP” to be the Metering Coordinator for the following CRs:
  - CR 3080, and 3081 Maintain Metering - Advanced Change Metering Installation Details – Small or Large
  - CR 3090, and 3091 Maintain Metering - Advanced Exchange of Metering – Small or Large.
- Changed the requesting role of CR 5021 (Backdate NMI start Date – Embedded Network Child) from the Local Retailer to the Embedded Network Manager;
- Changed CRs 6800 and 6801 to allow both current FRMP and Current MC to initiate those CRs; and
- Inclusion of the ENM as a party who can access the CATS standing data and perform NMI discovery.

## 6.8 MSATS Procedures: Procedure For The Management of Wholesale, Interconnector, Generator and Sample (WIGS) NMIs

At a high-level, the proposed changes are as follows:

- Replacement of references to RP with MC;
- Inclusion of the following Change Requests to account for scenarios where a NMI of WHOLESAL or GENERATR classification code is part of an embedded network:
  - Change FRMP (CR 1080 & 1082) – Embedded Network (child)
  - Create NMI (CR 2020 & 2021) – Create NMI Embedded Network (child)
  - Change NMI (CR 5060 & 5061) – Change NMI Embedded Network (child)
  - Change Parent Embedded Network Name (CR 5080 & 5081)
  - Make NMI a Child NMI (CR 5090 & 5091)
  - Change Local Retailer (child) – Auto Change
  - Change Secondary FRMP Embedded Network (Parent) – Auto Change
- Changed the following CR to backdate a NMI start date for a child connection point:
  - Maintain NMI (CR 5001 & 5021)– backdate a NMI
- Restructured one section of the Procedure to indicate how it intends to restructure every section detailing each Change Request process.

## 6.9 MSATS Procedures: MDM Procedure

At a high-level, the proposed changes are as follows:

- Inclusion of provisions specifying the rights of the MC and the ENM to receive the MDM market reports which the RP and the LNSP are receiving respectively.
- These reports include:
  - MDM RM13 NMI Data Streams History Report
  - MDM RM14 MDP Data Version Comparison Report

- MDM RM15 Multiple Versions Report
- MDM RM18 Electricity Interval Data Report

## 6.10 NMI Standing Data Schedule

At a high-level, the proposed changes are as follows:

- Drafting improvements and clarification. For example, deletion of text that is either irrelevant, not required, duplication of the NER, expired, or redundant;

## 6.11 NEM ROLR Processes – Part A – MSATS Procedure: ROLR Procedures

At a high-level, the proposed changes are as follows:

- Drafting improvements and clarification. For example, deletion of text that is irrelevant, not required, duplication of the rules, expired, or redundant.
- Deletion of all references to FRMP equals RP as this is not relevant to small and large NMIs;
- Inclusion of the ENM role for all ROLR related processes to Child Connection Points, where the ENM needs to be involved.