

AGENDA

MEETING: POWER OF CHOICE – PROGRAM CONSULTATIVE FORUM

DATE: MONDAY, 13 FEBRUARY 2017

TIME: 13:30PM – 15.30PM AEDT

TELECON: 02 8602 3003

LOCATION: MELBOURNE, LEVEL 22, 530 COLLINS STREET, MELBOURNE
 SYDNEY, LEVEL 2, 20 BOND STREET, SYDNEY
 BRISBANE, LEVEL 10, 10 EAGLE STREET, BRISBANE
 ADELAIDE, LEVEL 9, 99 GAWLER PLACE, ADELAIDE

OTHER ATTENDEES: NIL REQUESTED

No.	Agenda Item	Paper	Responsible	Action
Preliminary Matters				
1	Apologies		Chair	Note
Matters for Discussion				
2	Welcome		Chair	Note
3	Brief Update <ul style="list-style-type: none"> General Work stream by work stream Readiness Report 	<i>Item 1.0 Readiness Report Summary (Feb 2017)</i>	Ben Healy	Note
4	Watching Briefs: <ul style="list-style-type: none"> VIC AMI meter classification VIC Govt Options paper 		All	Discussion
5	Other Business		Chair	

Attachments:

- Item 1.0 Readiness Report Summary (February 2017)

Next meeting: **23 February 2017**

Power of Choice – Program Consultative Forum Membership List

8 Feb 2017

Full Name	Parent Company
Glenn Pallesen	ActewAGL Distribution
Michael Monck	Actew Distribution Ltd
Kate Reid	Australian Energy Market Commission (AEMC)
Richard Owens	Australian Energy Market Commission (AEMC)
David Forsth	Agility Customer Information Systems
Andrew Peart	AGL Energy Limited
Mark Riley	AGL Energy Limited
Bob Poker	Alinta Energy Retail Sales Pty Ltd
Chris Amos	Ausgrid
Murray Chandler	Ausgrid
Adrian Hill	AusNet Services
Roy Thompson	AusNet Services
Simon McCabe	Department of Environment, Land, Water and Planning
Kathryn Heywood	Electrag Pty Ltd
Dino Ou	Endeavour Energy
Carly Irving	Energex Limited
Doug Miles	Energex Limited
Bruce Blackman	EnergyAustralia Pty Ltd
Felicia Brady	EnergyAustralia Pty Ltd
Melinda Green	EnergyAustralia Pty Ltd
Jessica Lang	Department of the Environment and Energy
Michael Whitfield	Department of the Environment and Energy
Stuart Richardson	Department of the Environment and Energy
Brett Milne	Ergon Energy Pty Ltd
Greg Nielsen	Ergon Energy Pty Ltd
Michelle Norris	Ergon Energy Pty Ltd
Tony Clark	ERM Power
Debbie Voltz	Essential Energy
Graeme Ferguson	Essential Energy
Alex Fattal	NSW Department of Industry
Jacqueline Crawshaw	NSW Department of Industry
Katharine Hole	NSW Department of Industry
Jacinta Daws	Jemena Limited
Matthew Serpell	Jemena Limited
Roger Barnes	Lumo Energy Australia Pty Ltd
Stefanie Macri	Lumo Energy Australia Pty Ltd
Lisa Ball	M2 Group
Chris Boek	Metropolis Metering Assets Pty Ltd
Stuart Rainsford	Momentum
Darren Bailey	Origin Energy Limited
Lawrence Gibbs	Origin Energy Limited
Adam Moulds	Powercor Australia Ltd
Phil Gardiner	Powercor Australia Ltd
Ian Wolhuter	Powermetric
Dana Rankine	SA Power Networks
David Woods	SA Power Networks
Lance McMinn	Secure Australasia Pty Ltd
Peter Taylor	Secure Australasia Pty Ltd
Colleen McHendrie	Select Data and Measurement Solutions
Scott Chapman	Select Data and Measurement Solutions

Full Name	Parent Company
Aakash Sembey	Simply Energy
James Barton	Simply Energy
Leanne Rees	TasNetworks
Warren Brooks	TasNetworks
Richard McNulty	United Energy Distribution Pty Ltd
Dean Van Gerrevink	Vector Advanced Metering Services (Australia) Pty Ltd

POC Program Consultative Forum No.4 Meeting Notes

MEETING: POC Program Consultative Forum (PCF)
DATE: Monday 13 February 2017
TIME: 1:30 PM
LOCATION: AEMO Offices Melbourne, Sydney, Brisbane, Adelaide-
 Video/Teleconference

Attendees:

Phil Gardner	Citipower & Powercor
Lance McMinn	Secure
Michael Whitfield	Department of Environment
Roy Thompson	Ausnet Services
Richard McNulty	United Energy
Andrew Peart	AGL
Felicia Brady	Energy Australia
James Barton	Simply Energy
Jacinta Daws	Jemena
Kathryn Heywood	Electrag
David Woods	SA Power Networks
Harry Kaphani	Select Solutions
James Barton	Simply Energy
Bob Poker	Alinta Energy
Dino Ou	Endeavour Energy
Debbie Voltz	Essential Energy
Shavneel Nand	AEMO
Antara Mascarenhas	AEMO
Ben Healy	AEMO
Michael Ryan	AEMO
Jennifer Fikret	AEMO (Minute Taker)

Red indicates an action.

Concern was raised regarding some discussion was not completely reflected in the Minutes of the last PCF.

1.0 APOLOGIES

Nil

2.0 WELCOME

- A. Mouchaileh welcomed attendees.

3.0 BRIEF UPDATE

1. **General** – B. Healy summarised the meeting slide pack, noting that risks would be handled at the next PCF.

An IEC meeting was held on 21 December with the recommendation that the B2B Procedures be published and go second stage consultation.

An Executive Forum was also held in December 2016 with the key discussion point being Victorian meter types. AEMO agreed to approach the AER and discuss how meters will be treated post 1 December 2017.

2. **Work Stream by Work Stream**

Procedures draft determination came out on 30 December 2016. AEMO will publish the final determination package on 28 February. Procedures will then be recommended to AEMO's Board on 2 March and published no later than 6 March 2017. AEMO will publish supporting guidelines and checklists simultaneously. The After reviewing feedback for the Exemption Guidelines for Meters, it will be published about a week later. PWG are meeting in March to discuss Package 3 plan (called "as built") and a few points which need clarification from Package 2.

B2B Work Group are reviewing 27 submissions/final determinations in preparation for the IEC and are preparing the B2B Procedures for the February meeting. The B2B working group are also working on a SMP Guideline to pick up gaps between procedures and a build pack. How to Become an EHub Accredited Party will also be written. Accreditation for B2B members will open up early March.

The System Working Group have completed responding to any design specification questions and are now focussing on low volume interface functionality and peer to peer (free form) messages. An updated schema has been released for the B2M (version 35) and the SWG are managing the ASWG for the next schema update along with currently looking at the B2B schema.

AEMO's Package 3 requires changes to be accepted around metrology and a tidy up refers to other documents i.e. Metrology tables etc. There will be no effect on functionality. AEMO will open the documents for consultation, however there may not be any content yet. AEMO is trying to capture anything that changes during the testing cycle. The consultation period may be extended and the final determination will be ready on 1 December 2017.

Today is the first session for the Readiness and Testing Work Groups. The ITWG are considering at the best way to test with industry.

Questions:

Cut over – there will be a Transition and Cut-Over Work Group - the call for Nominations will be sent soon, prior to a first meeting in March 2017. AEMO may approach the AER for leeway if it is needed for a smooth transition and if it removes the risk and customer impact. AEMO are looking at target testing around EN and MC's resulting from changes in Package 1 and affecting MSATS (B2M changes). Options to participate will be available and this will commence in April/May.

Consensus in the B2B working group – there are points of contention and some may go to the IEC who will finalise the decision. There were points raised around notified parties. The B2BWG has been consistent in their decision making process and will justify and respond to every bit of consultation feedback.

3. Readiness Report

There are around 20 participants not reporting. AEMO working with the AER are contacting likely participants. There was a concern that a Readiness Plan cannot be signed off on if all participants are not ready. J. Daws requested the next Readiness Report include a list of those not reporting. **Action: A. Mascarenhas will check internally if there are any constraints to this.** AEMO can produce a participant list to go with the report and who "is" participating. This will enable a better testing plan to be implemented. Some participants may not be reporting as they are not accredited yet, however they can report they are not accredited yet. A clear "middle ground" needs to be found.

February Readiness Report – B. Healy summarised the report.

Update on safety regulations – M. Whitfield (Commonwealth Environment & Energy Department) are trying to work with the safety territory regulators, ensuring they are aware of the changes occurring in the market and to try and get consistency where possible on issues. Re-energisation and de-energisation is on the radar and they are working with industry groups, the Australian Energy Council and a metering group. Their view the information they received from industry was fragmented and they could not make decisions or recommendations on. They have requested information from those industry groups, and the AEC will be giving them an update on where industry is up to with this. Some retailers have received a working group request.

The next step is to re-engage with all the regulators and policy departments and ensure they are comfortable with what is in place currently. An ideal outcome would be less jurisdictional divergence and more commonality.

Test strategy and test scripting is being discussed in the IT work group today. The PCF were told the procedures are written to accommodate changes. The regulators did not have exposure to these forums in the past.

4.0 WATCHING BRIEFS

1. VIC AMI meter classification

A meeting took place with the AER and DB representatives. Slide 10 summarises the details. The first discussion was on post 1 Dec 2017 when the current derogation will end in the rules. A second discussion was the substitution methodologies (metrology)

part B) and what changes it will have on systems and participants options in managing these changes. The last discussion was on the Victorian DBs requirements to do a delta accreditation, which MDP Type 4 services which are not currently offering with respect to the Terms and Conditions.

The meter type identification codes – there was a proposal that distribution businesses in Victoria could continue to use the status quo in terms of identifying their meters in the system (the code in the system about identifying the functionality), or they can continue to adopt the new code VIC AMI which AEMO introduces at the request of consultation, or another code – logically a variation of comms 4 code. Changes would require system updates. It was not resolved, that the instrument under 11.86.7 and there was no conversation on the contrary to the meter type codes.

Substitutions – AEMO’s Metrology Procedures allowed for of all of the type 1 substitutions would come up if you considered meters type 4, plus two additional substitutions which are normally only available to meter types 5,6 and beyond. This would necessitate a system change when DBs provide data to retailers, they have to identify the substitution methodology, and where you use a 5.6 as a label, a 1.6 may have to be used. This is a labelling change that is effectively a system change.

J. Daws requires the Metrology Procedure Part B to be amended to allow these AMI Type 5, and if Jemena don’t get that they are not in a position with the changes and the timetable of this program to be able to actually meet that new obligation. She feels that on the legal advice they have received by including this in the metrology procedure it allows Jemena to proceed without change in Victoria. She has been told it is consistent with the rules. A presentation on this has been sent to B. Healy.

On 11.86.7 the reaction within UE and confirmed with legal advice is that we cannot actually use deemed contracts under that cause to bypass a rule. Jemena want very little change because of the material change. They want the ability of retailers to be able to churn, once they are churned they are type 4s. Jemena see relabelling as conversion. They do not have time to do this if they go live on 1 December.

Jemena also think the substitution codes require changes to seven systems. This would require additional time. Some vendors cannot meet these timelines. The recommendation to AEMO is that they write into their procedures that in Victoria DBs can continue to use the same substitution code which they currently use today with no change. From a retail perspective data would continue to come in a file format with the same substitution codes. This has not address the other obligations that would come with metering. The wording in the rules is “interval meter is type 4”, that would still require AEMO to do the delta re-accreditation on DBs in Victoria. Jemena would like to see no change to Vic AMI Type 5. They would like to the AER about saving \$4-8 million and deliver on 1 December so retailers can start churning these meters out as Type 4s. F. Brady would like to see a better representation of retailers as the meeting was between the AER, AEMO and DBs. Retailers need AEMOs Board will not go against something that is consistent with the rules. Action: AEMC and AER and Victorian Government input to go thru clarifying what can and can’t be changed. A. Mascarenhas queried if the two issues are being confused, 1. The meter type and 2. Being the labelling. It would cost Jemena \$1.8 million and their vendor cannot make 1 December. This would turn their Readiness Report from amber to a red. Retailers need to know how to be compliant, and that the regulations are consistent with the various pieces of legislation, and it also it works for a broad range

of parties. The Grandfather Clause for all sites is when installing on site, the compliance is based on the date and time it was done. For the AMI meters in Victoria there should not be any change because of the date and time that the jurisdictional rule put them in as Type 5 AMI meters into MSATS. If meter types change in MSATS on 1 December participant IDs will be required to change to someone who is accredited to Type 4, (meaning 2.4 million meters need to change to type 4 to make new member data provider and meter provider compliant with the market).

F. Brady suggested to stop thinking of meters and focus on customers. Every massive change on 30 November is going to have a customer impact. Advice was to focus the conversation follow on from the AER with impacted parties and if anyone is interested AEMO will put a point in to follow up in the next PCF.

2. Victorian Government Consultation on the Adoption of Competition in Metering in Victoria.

Feedback is a Q1 decision or recommendation is being targeted. J. Daws queried if changes were discussed i.e. alterations to systems and procedures to accommodate outcomes to elaborate on this. AEMO informed the changes depend on which decisions are made. A. Mascarenhas noted it is unknown until an exact outcome is decided on. Detail is lacking in the four scenarios. Option 4 is likely being adopted - LNSP as MC for a period of time in perpetuity.

Any decisions the Victorian Government choose to make to give effect to their decision will require AEMO to work them once the decision has been analysed. AEMO would prefer not to do another procedure consultation.

Any process with the AEMC and AEMO will run for six months and if a decision is not made, it could not conclude before 1 December.

J. Daws heard on Option 2 discussion about changes for some Victorian meter specifications. This would not be considered before 1 December, and will be investigated later on. AEMO feedback for the Victorian Government is to advise ASAP when a decision is made.

A consumer could end up stranded before Christmas. AEMO is aware of this risk and the Department is working as quickly as they can however decisions need to be taken up thru government processes (going to cabinet). It was suggest Victorian DBs reiterate the “point of no return” if they have any discussions with the Victorian government.

5.0 OTHER BUSINESS

After the ITWG today is the PCF will be looking at issues as well as risks.

Next PCF will be 23 February 2017.

Summary:

- Project status has changed from green to amber compared to January 2017:
 - Status of “at risk” of achieving project deliverables on schedule.
 - Progress approximately 20% (substantially unchanged).
 - Risk rating of “medium”.
- Participant categories:
 - Retailers and Distribution Businesses overall reporting amber (“at risk”).
 - MC, MP and MDP, ENM overall reporting green (“within schedule”).
- Jurisdictional status and rating in line with overall project status apart from a high risk rating in Victoria

Highlighted risks:

- Amber status primarily relates to the timing and scope of B2B procedure changes and subsequent impacts on:
 - Business process design.
 - System development, build and testing, with compressed timeframes for Industry Testing highlighted.
- Other issues highlighted include:
 - Lack of clarity on safety regulations
 - “Medium” to “high” risk rating highlighted in Victoria relates to the ongoing uncertainty associated with:
 - The Victorian Government Transition to Metering Competition in Victoria decision timing in March 2017.
 - VICAMI meter type classification.
- Mitigating actions include:
 - B2B working group working towards planned timeframes (IEC meeting 20 February and final determination publication on 6 March 2017)
 - Readiness working group commencing planning for Industry Testing and Industry Accreditation and Registration in February 2017.
 - Industry actively engaging with the Vic Government process, March 2017 remains on track.
 - Industry discussion on VICAMI meter type classification on the agenda for the February 2017 Program Consultative Forum meeting.

Number of submissions:

- 27 reports received in total representing the following participant roles:
 - 12 retailers
 - 13 distribution businesses (includes initial MC, MP and MDP)
 - 3 metering companies (MPD, MP)
 - 5 metering coordinators (MC)
 - 2 embedded network manager (ENM)
- Majority of participants' reporting unchanged from January 2017.

Note that organisations can nominate for multiple roles and participants can submit combined reports (i.e. one report for two distribution businesses)

















Overall Status	Commentary	Risk Rating	# Open Risks - Rating:			Issues:
	The overall project status has changed from green to amber with participants reporting increased risks of implementing the required system and process changes on schedule due to ongoing uncertainty regarding the scope of the B2B Procedures changes and overall constrained timeframes. Other issues highlighted include the uncertainty associated with the Victorian Government Transition to Metering Competition in Victoria decision timing due in March 2017, and lack of clarity on safety regulations.		High	Med	Low	#
			1	4	2	

AEMO and NEM Participants Readiness Criteria			AEMO		Retailers		Distributors		MP and MDP		Metering Coordinator		Embedded Networks (ENM, ENO)		Third party e-hub	
#	Category	Criterion	Status	Note	Status	Note	Status	Note	Status	Note	Status	Note	Status	Note	Status	Note
1. Assessment and preparation																
1.1	Assessment and preparation	Consequences of the POC reforms for your business considered, and appropriate implementation plans are in place				#1										
1.2		Key readiness planning documents delivered														
2. Legal, regulatory, contractual and policy																
2.1	Legal, regulatory, contractual and policy	Updated retail electricity market procedures and associated documents published														
2.2		Internal policies updated for consistency with regulatory changes including jurisdictional regulations and requirements (e.g. safety)				#2		#5				#8				
2.3		Operationally critical commercial contracts in place				#3										
2.4		Accreditation and registration activities completed														
3. People																
3.1	People	Operational roles specified, assigned to staff, and training delivered														
4. Business processes																
4.1	Business processes	Updated, validated and approved business processes in place														
4.2		Successfully validated critical business processes during industry testing														
4.3		Process work-arounds in place for any issues identified during industry testing														
5. Market systems																
5.1	Market systems	Delivery of the re-developed B2B e-hub for industry testing														
5.2		Successfully tested market systems capable of being moved into production				#4		#6								
5.3		Performance of, and communication between, market systems validated during industry testing						#7								
6. Transition planning																
6.1	Transition planning	Transition and cutover plan(s) in place														
6.2		Prerequisite transition and cutover processes completed (e.g. trial data conversions and cutover dress rehearsals)														

Jurisdictional Status																
Jurisdiction	Comments	AEMO		Retailers		Distributors		MP and MDP		Metering Coordinator		Embedded Networks (ENM, ENO)		Third party e-hub		
		Status	Risk	Status	Risk	Status	Risk	Status	Risk	Status	Risk	Status	Risk			
ACT	Jurisdictional risk is a reflection of overall project risk.															
NSW	Jurisdictional risk is a reflection of overall project risk.															
QLD	Jurisdictional risk is a reflection of overall project risk.															
SA	Jurisdictional risk is a reflection of overall project risk.															
TAS	Jurisdictional risk is a reflection of overall project risk.															
VIC	Jurisdictional risk is a reflection of overall project risk, with additional risk noted due to the uncertainty associated with the Victorian Government Transition to Metering Competition in Victoria decision timing in March 2017, and the treatment of VICAMI meters.															

Variances		
Note #	Explanation of Variance/Note	Mitigating Actions
1	Variance reported by Retailers: Development of implementation plans are dependent on industry-wide progress on the finalisation of the B2B procedures and associated technical design.	The B2B working group are working through the feedback to the second stage consultation on the procedures and the technical delivery specification, with the IEC meeting scheduled for 20 February 2017.
2	Variance reported by Retailers: Updating policies and procedures on schedule is at risk due to lack of clarity on safety regulation.	Retailers are continuing to engage with the relevant departments and safety bodies.
3	Variance reported by Retailers: Updating commercial arrangements on schedule is at risk due to volume of contracts that need to be entered into with industry parties and variable meter service provider maturity.	
4	Variance reported by Retailers: System design and development are dependent on finalisation of procedures and technical specifications for completion.	The B2B working group are working through the feedback to the second stage consultation on the procedures and the technical delivery specification, with the IEC meeting scheduled for 20 February 2017.
5	Variance reported by DBs: The assessment of legal and regulatory frameworks cannot be completed until the Victorian government decision is made (expected around March 2017).	Distribution businesses are continuing to engage with Victorian Government and the ESC/ECS. Discussion at 13 February POC-PCF to discuss VICAMI meter classification.
6	Variance reported by DBs: Business processes in certain areas are dependent on, or heavily impacted by, the B2B procedures. These processes cannot be fully designed until procedures are published in Mar 2017.	Distribution businesses are continuing business process design based on draft material. This involves risk of re-work and wasted effort if the final B2B procedures differ from the drafts.
7	Variance reported by DBs: System design is dependent on B2B procedures and the scope of changes to be delivered is greater than anticipated and delivery timeframes are highly compressed.	As with business design - distribution business are progressing system design based on draft material. This involves risk of re-work and wasted effort if the final B2B procedures differ from the drafts.
8	Variance reported by Metering Coordinator: Same as #3	

Notes

Key - Progress and Status					Key - Risk Rating	
Progress			Status		Rating	
Harvey balls represent progress towards achieving the criterion			Colour indicates the readiness status		Rating	
~0%		~50%		Criterion is within agreed schedule and deliverable requirements		High
~10%		~60%		Criterion is at risk of not meeting requirements and corrective action may be required		Medium
~20%		~70%		Criterion not meeting requirements. Immediate corrective action required		Low
~30%		~80%				
~40%		~90%		Criterion has been achieved		

See POC Industry Risk Register for open risks and issues:
[POC Industry Register](#)