

## AGENDA

MEETING: Power of Choice Executive Forum No.7

DATE: Thursday, 10 August 2017

TIME: 9:00AM – 10:00AM (AEST)

TELECONFERENCE Dial: 1800 055 132 Meeting ID: 35225454

LOCATION: AEMO Offices via videoconference:  
Melbourne – Level 22, 530 Collins Street  
Sydney - Level 2, 20 Bond Street  
Adelaide - Level 9, 99 Gawler Place  
Brisbane - Level 10, 10 Eagle Street

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- |  |                             |         |
|--|-----------------------------|---------|
| 1. Welcome and Introduction  | Audrey Zibelman/Peter Geers | 5 mins  |
| 2. Market Readiness Survey Findings  | PWC                         | 10 mins |
| 3. Discussion about Market Commencement                                    | Violette Mouchaileh         | 35 mins |
| 4. Commonwealth Government Update – Remote re-energisation/de-energisation | Stuart Richardson           | 10 mins |

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# *Power of Choice Survey Response Summary*

Australian Energy Market Operator  
August 2017



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## *Summary of Survey Responses*



## *Readiness*



## *Risk Themes*



## *Project Governance*



## *Scope and Approach*



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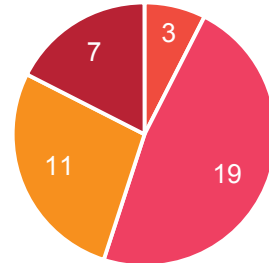
# Summary of Survey Responses

## Market Participation

40

Market Participant surveys were received.

## Survey responses: breakdown



- Large Retailers (3)
- Small/Mid-tier Retailers (19)
- Distributors (11)
- MCs/MDPs/MPs (7)

## Organisation readiness

70%

on average, Participant surveys reported they were 70% confident that **their organisation** will have undertaken necessary activities (People, Process, Technology, Contractual) **to operate effectively** at by 1 Dec 2017

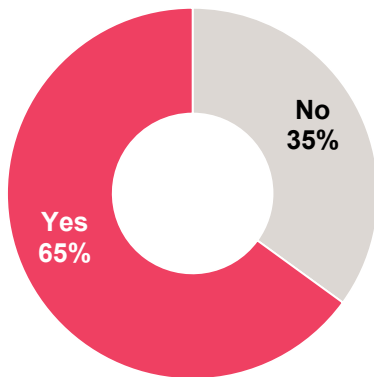
## Industry readiness

47%

on average, Participant surveys reported they were 47% confident that **the broader industry** will have undertaken necessary activities **to operate effectively** at POC go live on 1 Dec 2017

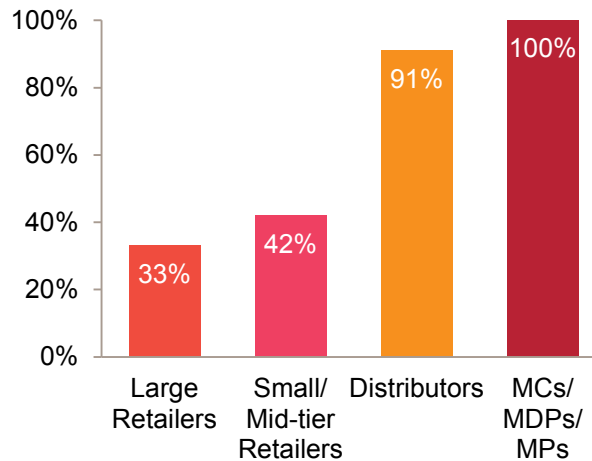
## Support for go-live

65%



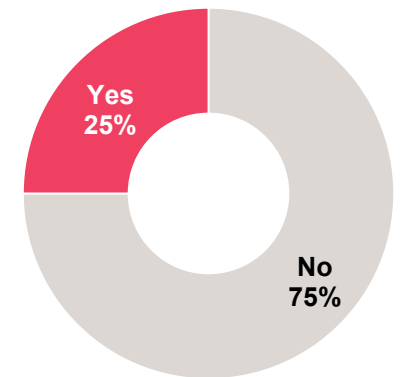
of Participant surveys **supported** the current go-live date of 1 Dec 2017

## Support for go-live: by participant type



## Customer engagement

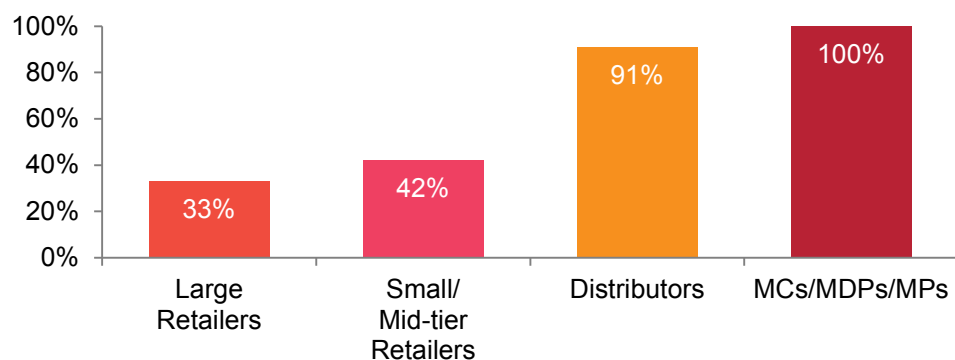
25%



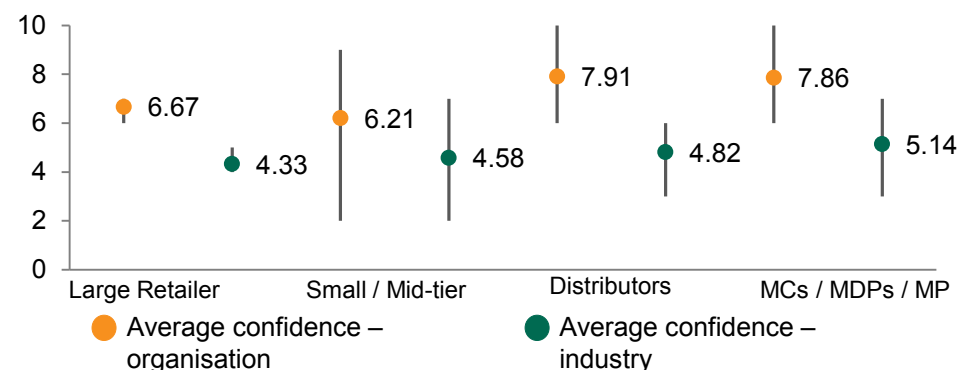
of survey responses indicated that they believed that customers have been **adequately informed** to support the 1 December 2017 go live.

# Summary of Survey Responses – Readiness

## Readiness – support for go-live



## Survey respondent readiness confidence



The Survey responses that **were in support** of a 1 December 2017 (or alternative 3/4<sup>th</sup> December) go-live provided a range of reasons including\*, but not limited to:

- The date has been known for some time by all market participants and it is up to the participant to be ready.
- The survey respondent was confident in their own organisation's readiness (however a number acknowledged that other industry risks not specific to their organisation may not be adequately mitigated by go-live).
- Significant effort and cost has been invested to prepare for go live (business model, people, process, technology) by survey respondents. Given the intent of Power of Choice to drive competition, there is a view that those who are less prepared should not be rewarded at the expense of organisations who have adequately prepared.
- There is not a clear plan as to how a delay will bring greater certainty of readiness to the industry.
- There is no additional perceived value to some participants customers as a result of delay (particularly for Victorian Distribution businesses where the Victorian Government has deferred implementation).
- Additional costs as a result of the delay to be passed through to customers or shareholders.

It should be noted that a number of participants that supported the go live noted it would be prudent to consider the results of industry testing and industry-wide scenario planning which they saw as key to supporting readiness.

\* A complete listing of survey responses has been provided to AEMO

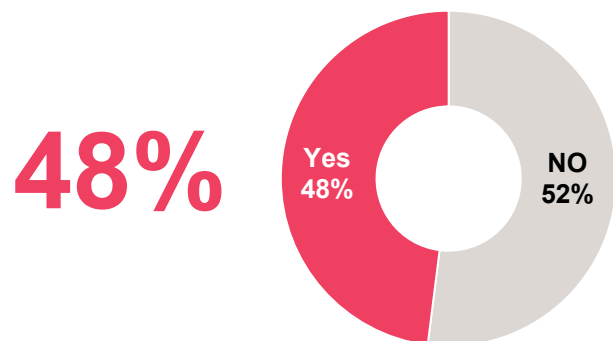
The Survey responses that **were not in support** of 1 December 2017 (or alternative 3/4<sup>th</sup> December) go-live (Large Retailers - 2, Mid-tier and Small Retailers -11 and Distributors -1) provided a range of reasons including\*, but not limited to:

- The current status of readiness reporting (and its accuracy) which indicates 'Amber' or 'Red' for key jurisdictions
- There was the potential for safety risks that may not be adequately mitigated (a listing of these risks has been provided to AEMO). This included the timing of cut over during a peak activity period, emergency scenarios and current activity on jurisdictional safety requirements
- A compressed timetable for the project (due to a range of reported reasons) has meant that there is not adequate time to implement required contracts and change(s) (including testing and responding to the outcomes of testing). Delays may provide an increased level of confidence in operational processes.
- Reputation risk to the industry as a result of risks that are not mitigated at go live.
- Impact to customers experience (a listing of these risks has been provided to AEMO). Of note was a lack of customer awareness, manual processes that may lead to poor customer experience and a lack of agreement on some industry wide processes.
- A number of industry processes have not been agreed and there is difficult making industry decisions given the structure of the governance arrangements.
- Respondents that stated the PoC reform may have a negative consumer impact (such as cost).

Alternative dates proposed ranged from February 2018 to July 2018.

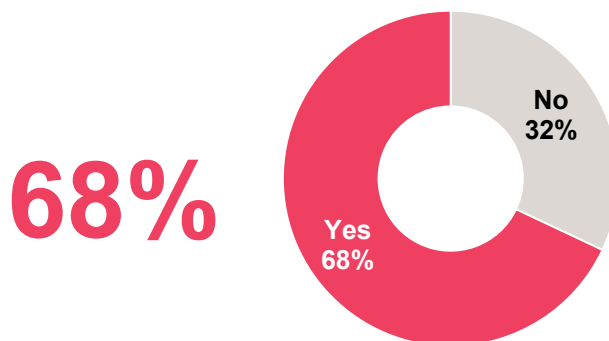
# Summary of Survey Responses – Risk Themes

## Safety risks



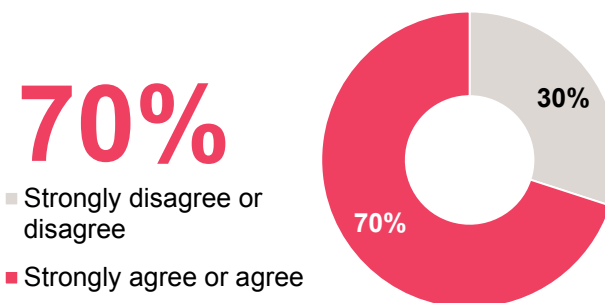
of survey responses reported that they were aware of safety related risks brought about by Power of Choice which they believe would **not be adequately mitigated** by 1 Dec 2017 go-live

## Customer risks



of survey responses reported that they were aware of customer related risks brought about by Power of Choice which they believe will **not be adequately mitigated** by 1 Dec 2017 go-live

## Contracts and SLAs



of survey responses agree or strongly agree that there is a **clear understanding** of the Contracts and associated Service Level Agreements that will need to be put in place to support PoC.

### Summary of top reported Safety Risk themes\*

|  |   |
|--|---|
| Remote de-energisation/re-energisation processes not defined | 1 |
| Industry codes are yet to be agreed                          | 2 |
| Faults & emergencies processes                               | 3 |
| Inadequate work practices/training                           | 4 |
| Management of life support customers                         | 5 |
| Disaster Events  |   |

### Summary of top reported Customer risks themes\*

|                                       |   |
|---------------------------------------|---|
| Customer transfer / connection delays | 1 |
| Customer Awareness / Education        | 2 |
| Faults & Emergencies Processes        | 3 |
| Planned Outages and Interruptions     | 4 |
| Inconsistent Jurisdictional Processes | 5 |
| Access to Remote Regions              |   |

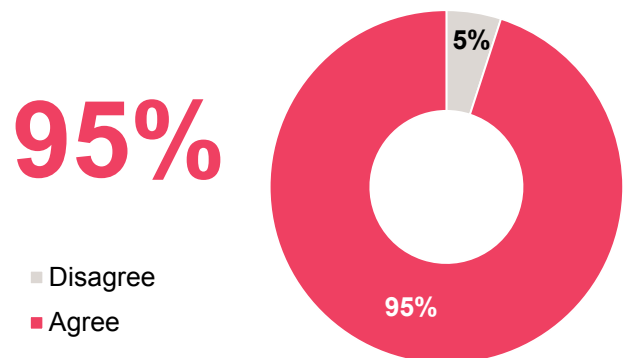
### Summary of top reported Contract/SLA Risks themes\*

|   |   |
|---|---|
| Complete list of Contracts/SLAs required is unknown | 1 |
| MC roles and responsibilities not clear             | 2 |
| MCs have not been appointed                         | 3 |
| Uncertainty re. the Victorian Order in Council      | 4 |

\*A full listing of survey results has been provided to AEMO for consideration.

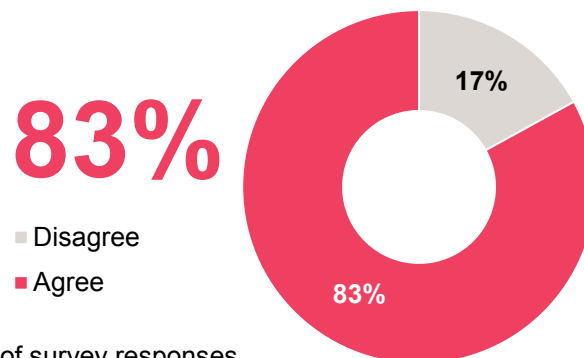
# Summary of Survey Responses – Project Governance

## Executive Sponsorship



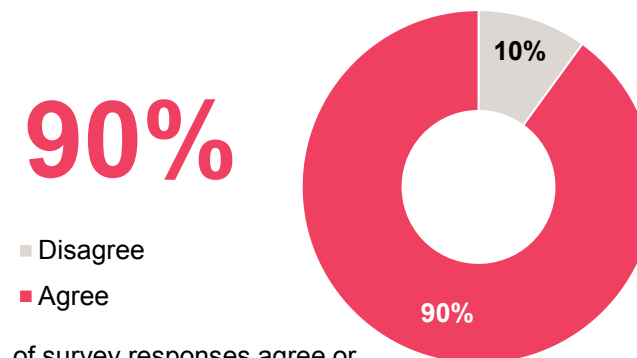
of survey responses agree or strongly agree that **clear Executive sponsorship** and **accountability** at their organisation for the Power of Choice project has been defined.

## Project Planning and Budgeting



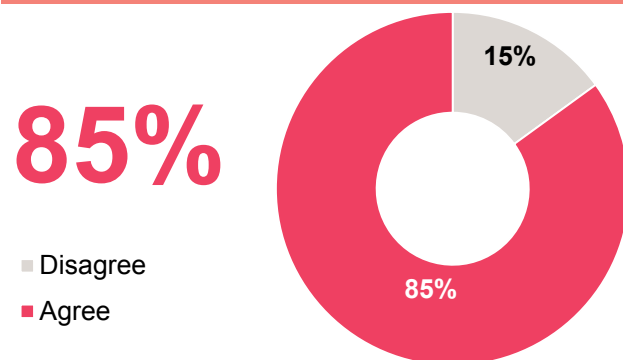
of survey responses agree or strongly agree that a **formal project plan and budget** have been prepared and endorsed at their organisation that captures required activities and costs to deliver POC by 1 December 2017.

## Project Governance Structure



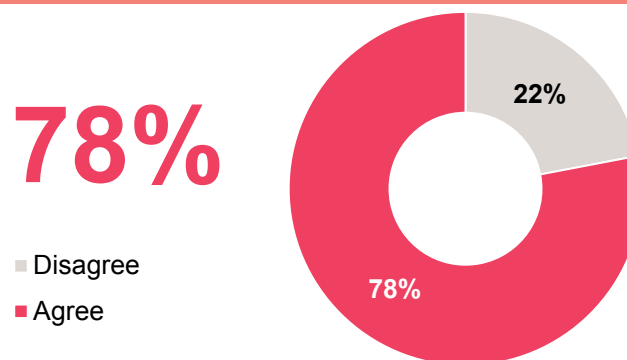
of survey responses agree or strongly agree that a **project governance structure** at their organisation is in place with appropriate representation across **key stakeholders** to enable effective and timely decision making.

## Key Risks



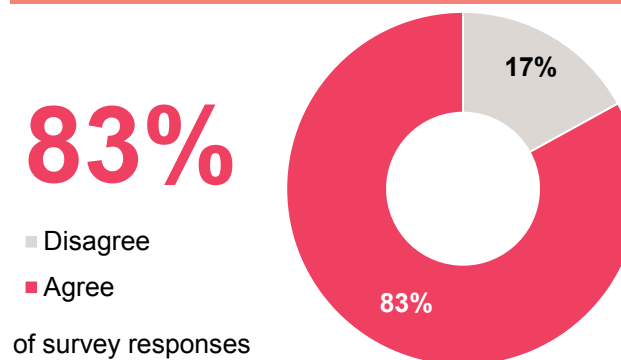
of survey responses agree or strongly agree that management have defined and documented the **key risks** associated with Power of Choice program.

## Market Communication



of survey responses agree or strongly agree that there are clear lines of **communication with other market participants** (as required) to support the go live on 1 December 2017.

## Staff Training



of survey responses agree or strongly agree that a training needs analysis will be undertaken and **adequate training will be undertaken** to support Power of Choice go live on 1 December 2017.

\*A full listing of survey results has been provided to AEMO for consideration.

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# Summary of scope and approach

## Background

The Australian Energy Market Operator (AEMO) is working with industry to implement changes arising from a number of Australian Energy Market Commission (AEMC) inter-related National Electricity Rule changes by 1 December 2017. These rule changes, which originated from the AEMC's Power of Choice (POC) review, include the Competition in Metering Rule Change, the Embedded Networks Rule Change and Updating the B2B Framework Rule Change.

AEMO have established a Readiness work-stream as part of the broader POC Implementation Program, which involves the coordination of AEMO and industry readiness and facilitating readiness reporting among participants.

To support this, AEMO have requested PwC's assistance to survey market participants to better understand the overall state of market readiness over two intervals in the lead up to the 1 December 2017 go live, with the objective of:

- developing a snapshot of the overall market's progress towards 1 December 2017
- identifying any issues or concerns that may be addressed by AEMO in the lead up to go live.

This summary of survey outcomes outlines the key themes from survey responses from Phase 1 of the Participant Survey and areas for further consideration by AEMO.

## Scope & approach

The scope of the survey focused on:

- a) Gain an understanding at a high-level of Participant readiness reporting (using the available monthly Participant readiness reporting)
- b) Draft and conduct a survey of Market Participants (as approved by AEMO) to better understand Participants' level of readiness for go live on 1 December 2017
- c) Conducting one-on-one interviews with a sample of Market Participants on a voluntary basis to better understand Participants' survey responses (to be undertaken across July/August 2017).

The scope did not include:

- Detailed review and analysis of Participant readiness reporting
- Review of the industry go-live criteria and go live decision making
- Review of underlying information to support the readiness status as reported by Market Participants. As agreed with AEMO and Participants, survey responses and information provided in subsequent interviews have not been verified, validated or audited. Accordingly no opinion or view on market readiness is provided.

## Responsibility Statement

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We consent to AEMO providing a copy of this report to AEMO Market Participants (being those organisations who participate in the Power of Choice Readiness Survey) on the basis that each AEMO Market Participant agrees that: (a) our services and this report are not for their use or benefit; (b) we do not accept any responsibility or liability to them; and (c) they will not disclose this report to any other party without the prior written consent of PricewaterhouseCoopers, except required by law.



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WLT 127052148

# POWER OF CHOICE EXECUTIVE FORUM

10 August 2017

Dial: 1800 055 132 Meeting ID: 35225454

PRESENTED BY AEMO



# AGENDA

1. Market Readiness Risks
2. Way Forward
  - Approach for market commencement
3. Contingency Planning
4. Decision Criteria
5. Communications Strategy
6. Governance

- AEMO and participants have been implementing the following AEMC rule-changes by 1 December 2017, following their release between Nov 2015-June 2016:
  - Competition in Metering;
  - Embedded Networks;
  - Meter Replacement Processes; and,
  - Updating the B2B Framework.
- Since then, AEMO and market participants have made significant progress towards completing the AEMO Procedures and B2B Procedures.
- Monthly readiness reports indicate progress across industry in implementing system and business process changes.
- Registration and accreditations are progressing, with the first Metering Coordinator recently registered.
- Market Trial is due to commence on 21 August.

- Participants have indicated the following risks in monthly readiness reports and at PoC working groups:
  - Short timeframe between Procedure-completion and system changes (March-August 2017).
  - Number and complexity of commercial arrangements.
  - Risks with full transition in December:
    - High volume of new connections;
    - Peak period for natural disasters;
    - Short timeframe between completion of testing and market commencement.
- PwC independent readiness survey results reflect similar themes.
- Support transitional approach that manages risks to consumers, while transitioning the market at lowest-cost.

- **Objective – facilitate lowest-risk approach to market commencement:**
  - Action 1: de-risk transition to market commencement.
  - Action 2: contingency planning (clarify roles and responsibilities for a coordinated approach).
  - Action 3: decision-making criteria.
  - Action 4: clarify communications approach.
  - Action 5: governance.

- Translation tool to support small and medium retailers.
  - Pre-release is at industry test stage, to be available for use in Market Trial.
- Facilitated coordinated transition from current to new market arrangements.
  - Draft released.
- System cutover extended from 1 December to 1-3 December.
- Retailers can de-risk by staging or prioritising transactions.
  - For instance, new and replacement meter roll-outs.

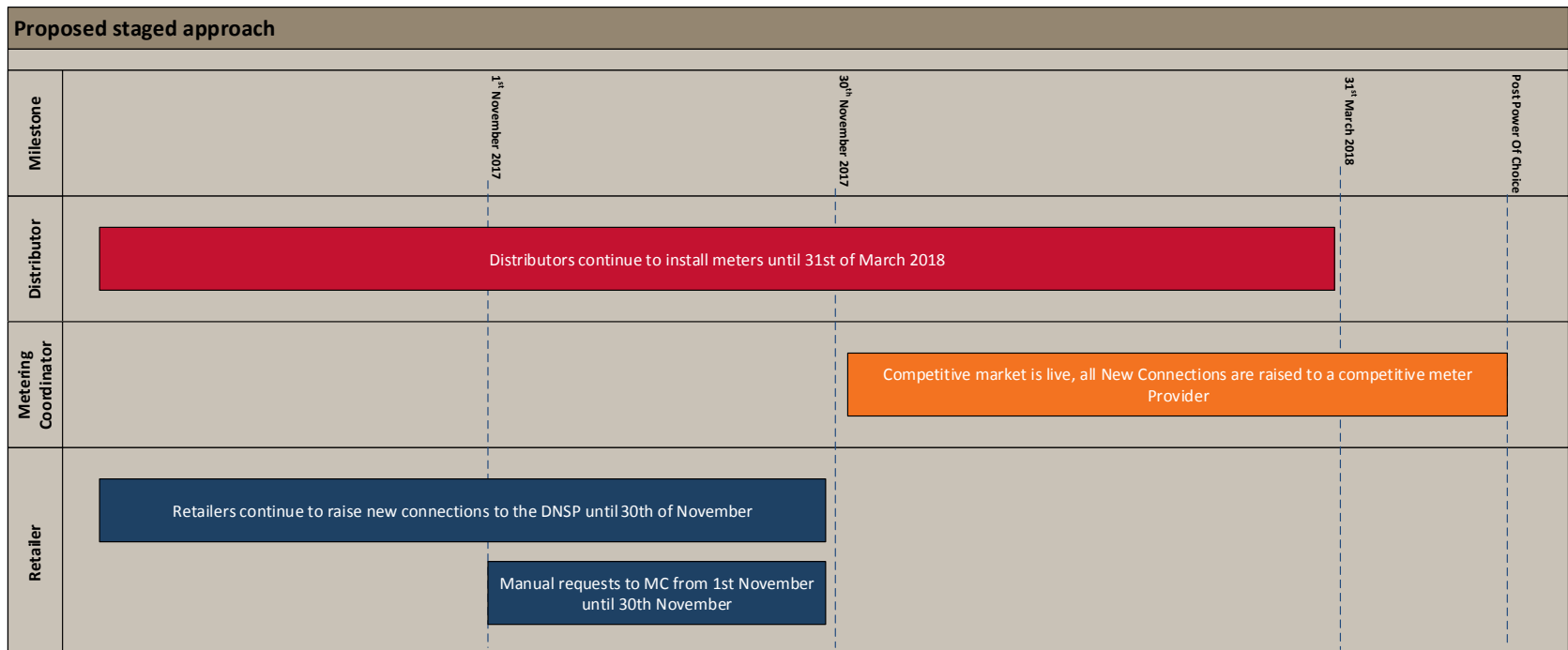
- Optional staged approach for new connections, whereby retailers can allocate new connections to LNSPs for a longer window.
  - System cutover would proceed between 1-3 December 2017.
  - Allocate work to incumbent LNSP until 30 November and LNSP undertakes work between 1 December - 31 March.
  - We anticipate this covers Type 5 and 6 meters.
- Requires agreement from LNSP in specific region.
- Requires Letter of No Action.
- Applies to faulty meters, where notified, until 1 December.



# ACTION 1: DE-RISK COMMENCEMENT



- Optional staged approach for new connections:
  - In ACT, South Australia and Queensland.
  - NSW (ASP Scheme) and Victoria (deferral of metering competition) unaffected.



- Contingency Planning identifies activities and accountabilities in the event of scenarios occurring.
- AEMO has collated a straw-man list of scenarios.
  - Scenarios are based on industry readiness reporting, the PoC Industry Risk Register and data provided by PwC.
- Next steps:
  - AEMO to release draft Industry Contingency Development Plan at 18 August Readiness Working Group.
  - Plan requires industry commitment.
  - Provide Plan for next Executive Forum meeting.

- Contingency planning includes scenario development, which informs decision criteria.
- Refer to attached paper: Contingency Planning.

- AEMO is working with other market bodies on a joint communications strategy aimed at market participants.
- Retailers agreed to take the lead on communications with customers.
- Support coordinated message across industry.
  - We would welcome coordination by peak bodies among their members, including Australian Energy Council, Energy Networks Association and the Energy Consumers Association.

- Some participants are seeking an overarching decision-making body.
- Executive Forum can act as escalation point for risks and issues.
  - Requires executive-level commitment.
  - Decisions would not be binding under the National Electricity Rules.

# POC EXECUTIVE FORUM

FOR DISCUSSION

SUBJECT: CONTINGENCY PLANNING APPROACH

AGENDA ITEM: N/A

## 1. PURPOSE

The purpose of this paper is to outline the approach AEMO will manage to conduct Contingency Planning for the adoption of National Electricity Rule (NER) changes on 1 December 2017 within the Power of Choice (POC) Program of Work.

## 2. BACKGROUND

The Australian Energy Market Commission (AEMC) released three National Electricity Rule (NER) changes between late-2015 to mid-2016 aimed at enhancing electricity consumer choice. AEMO and its industry counterparties (retailers, networks, embedded networks, new service providers and consumer group representatives) are currently implementing the POC reforms (competition in metering, embedded networks, and reforms to B2B arrangements) to commence on 1 December 2017.

The Rule changes require AEMO to amend existing, or create new market procedures to reflect the contents and principles of the new Rules. The Procedural changes, in turn, inform associated system changes for both AEMO and participants. AEMO is also responsible for accrediting and registering new participants who will participate in the new commercial environment from 1 December 2017.

## 3. DISCUSSION

The Power of Choice Program has been considering a number of scenario based situations which could be realised at, or about the time when the National Electricity Rule (NER) changes are implemented on 1 December 2017<sup>1</sup>. These scenarios feed into a broader contingency planning exercise that AEMO has committed to undertake.

The governance, accountabilities, responsibilities and management of contingency activities that may be required are important to understand. Scenario planning aims to determine and detail processes and activities necessary to negate the impact these scenarios could potentially impose.

In addition to the AEMO processes, Price Waterhouse Coopers (PwC) feedback from a recent Participant survey together with one on one discussions, has identified that more clarity is required for the process, outputs and schedule for which AEMO intends to conduct industry contingency planning.

### 3.1. Approach

AEMO has established the following approach to achieve effective contingency planning with industry:

- AEMO will release an Industry Contingency Development Plan by mid-August 2017

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<sup>1</sup> AEMO notes that the system cut-over will occur over the first weekend in December making the effective date for the Rules Monday 4<sup>th</sup> December. AEMO / AER are formalising this approach through AER processes.

- AEMO will release and maintain the scenarios list
- RWG will develop each scenario, refine and update the list
- For each scenario, the RWG will propose actions to mitigate or implement in the event of a scenario coming to fruition
- For each scenario, the RWG will develop 'trigger(s)' to identify when the scenario is likely to occur and 'decision(s) criteria' required in the event of the scenario coming to fruition
- A collation of trigger(s) will be summarised into the Transition and Cut-Over Group and included in the final Transition and Cut-Over Plan and schedule
- A collation of decision criteria will be shared with the PoC-RWG and PoC-PCF and monitored in the lead-up to the effective date

AEMO will circulate to industry a strawman list of possible scenarios derived from a combination of industry Readiness Reporting, PoC Industry Risk register and data provided to AEMO by PwC.

The scenario list, including proposed actions will be circulated back to appropriate governance bodies including the PoC-PCF, and if required, the Executive Forum.

## 3.2. Responsibilities

### 3.2.1. Readiness Working Group (RWG)

The RWG, in accordance with the Readiness Strategy, is tasked with:

- Developing and finalising the Industry Contingency Development Plan
- Assessing and developing scenarios and proposing actions and outcomes for each
- Maintaining and updating the scenario list
- Escalation of issues and risks to the PoC-PCF and / or Executive Forum (if required)

The RWG may establish smaller focus groups to expedite the process as required.

### 3.2.2. Participants

Industry contingency planning does not remove the necessity for individual organisations to develop and maintain their internal contingency plans. Many of the industry wide actions may involve participant(s) undertaking their own individual contingency plans in accordance with requirements of Procedures and/or processes in the event of individual system failures.

## 3.3. Outputs

AEMO will publish the Industry Contingency Development Plan, and maintain a live list of scenarios on the PoC website.

### 3.3.1. Decision making criteria

It is expected that a number of decision criteria will be developed throughout the scenario planning activities.

The key outputs of this planning in terms of decision making criteria are:

- Under what circumstances are decisions required to be made
- In what timeframes are decisions expected to be made
- What actions participant(s) are expected to undertake (including AEMO and other industry bodies)

### 3.4. Decision Principles

In finalising decision criteria from scenario planning, AEMO will apply the following principles in determining the appropriate action(s) to be taken:

- The materiality and impact on customer supply, safety, service not intended from the reforms
- The suitability of contingency plans to mitigate the event from a market perspective
- Whether or not a delay to the effective date mitigates or guarantees a resolution

In addition, AEMO will apply originally agreed and communicated transition and cut-over principles when confirming the decision criteria, these are included in Appendix A for reference.

### 3.5. Schedule

An overview of the approach will be presented to the PCF on 11 August 2017.

The draft Industry Contingency Development Plan and initial list of scenarios with strawman actions will be circulated to the RWG for the upcoming session on 18 August 2017.

The RWG will a draft scenarios and plan towards by the end of September 2017<sup>2</sup>.

## 4. RECOMMENDATIONS

Executive Forum note the contingency planning approach and outputs that AEMO will facilitate through the RWG; and support the approach by making available suitable resources.

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|              |                              |
|--------------|------------------------------|
| AUTHOR NAME: | MICHAEL RYAN, BENJAMIN HEALY |
| DATE:        | 01 AUG 2017                  |

|          |                                   |
|----------|-----------------------------------|
| APPENDIX |                                   |
| A        | TRANSITION AND CUTOVER PRINCIPLES |

|             |                                 |
|-------------|---------------------------------|
| ATTACHMENTS |                                 |
| 1.0         | INITIAL DRAFT LIST OF SCENARIOS |

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<sup>2</sup> AEMO notes that the progress of industry planning relies on the support provided by participants.



1. Industry transition and cutover Proposed Guiding principles

1. NEM participants and AEMO must continue to fulfil all regulatory and compliance obligations during the transition period and perform all necessary activities to comply with their respective obligations under the revised market arrangements from 1 December 2017;
2. Minimal disruption to all customers (large and small).
3. Collaborative approach to Industry Transition and Cutover planning – including the development of supporting templates and materials.
4. Where possible transition arrangements and activities should be relevant and cost effective for market participants and customers;
5. Each NEM participant and AEMO is responsible for developing their own internal transition and cutover plans and where practical and possible will endeavour to find a common approach. These plans should have regard to the key activities and dates set out in the Industry Transition and Cutover Plan.
6. Where possible, all transactions begin and end under the same rules. Where this is not possible, a suitable workaround is to be agreed by market participants;
7. Where possible and practicable to do so, minimise and effectively manage the number of in-flight transactions during cutover activities;
8. Issues and risks that may affect industry transition and cutover are to be communicated to AEMO as early as possible in order to facilitate an assessment of potential impacts. AEMO will subsequently escalate any industry relevant matters to the Readiness Working Group or appropriate forum.
9. The industry cutover approach will be based on a 'fix-on-fail/roll-forward' approach in which AEMO and all Participants will commit to cutting over and avoid rollback by addressing any problems as and when they arise;
10. If participants have system readiness issues at the time of cutover and they must implement contingency (e.g. manual) arrangements in their organisations, they must notify AEMO and the market as soon as possible.
11. All participants will adopt and follow the POC Industry Transition and Cutover plan.
12. The Industry Transition and Cutover Plan will endeavour to limit jurisdictional differences for transition and cutover activities.

## Attachment 1 – Initial draft list of high level scenarios

| #   | Scenario title   | Theme | Trigger(s) | Action(s) | Accountability |
|-----|--|-------|------------|-----------|----------------|
| S01 | ROLR event occurs during the transition and cutover period   |       |            |           |                |
| S02 | Disaster Event occurs during the transition and cutover period   |       |            |           |                |
| S03 | Remote re-energisation and de-energisation process are not agreed with Jurisdictional Regulators ahead cutover |       |            |           |                |
| S04 | There is a delay to the customer service post implementation   |       |            |           |                |
| S05 | The Central B2B System is unavailable or fails to come cutover within the timeframe                            |       |            |           |                |
| S06 | One or more retailers systems do not come online during transition period                                      |       |            |           |                |
| S07 | One or more distributors systems do not come online during transition period                                   |       |            |           |                |
| S08 | Market settlement systems failure during transition period   |       |            |           |                |
| S09 | There is insufficient MCs/MPs/MDPs to meet with new connection, adds & alts across market                      |       |            |           |                |
| S10 | Failure to appoint a MCs before effective date   |       |            |           |                |
| S11 | Significant number of industry high priority defects impacting market operation                                |       |            |           |                |
| S12 | One or more participants unable to participate in Market Trial due to delayed system implementation            |       |            |           |                |
| S13 | Insufficient ENMs to service ENOs following effective date   |       |            |           |                |
| S14 | Insufficient meter stocks across MCs and/or LNSPs during transition and cutover                                |       |            |           |                |
| S15 | There are issues identified in period following the effective date   |       |            |           |                |
| S16 | There is insufficient coverage to service remote region customers  |       |            |           |                |
| S17 | MC does not complete registration by the effective date  |       |            |           |                |
| S18 | Participant does not complete B2Be-Hub Accreditation by the effective date                                     |       |            |           |                |
| S19 |  |       |            |           |                |
| S20 |  |       |            |           |                |

High level draft scenarios

# DEPARTMENT OF THE ENVIRONMENT AND ENERGY

## POWER OF CHOICE EXECUTIVE FORUM

THURSDAY 10 AUGUST 2017

### METERING SAFETY ISSUES UPDATE

This paper is intended to provide an update on jurisdiction safety regulation in the context of metering competition.

Since March 2017, retailers, DNSPs, Metering Co-ordinators (MCs), Metering Providers (MPs) and Metering Data Providers (MDPs), have been reporting an amber 'at risk' rating regarding market readiness for Power of Choice (PoC) reforms. Uncertainty regarding safety regulations is identified as one of the risks in the project.

The purpose of this paper is to provide an update on the current status of work on these issues, seek feedback from industry on our understanding of metering safety issues, and whether the risks on the register on jurisdictional safety regulation need to be re-classified given the current status of work.

Jurisdictions will continue to monitor developments and respond through policy or regulation as necessary.

#### **Remote re-energisation (re-en) and de-energisation (de-en)**

1. At the August 2016 Metering Safety Forum in Canberra, jurisdictional electrical safety regulators provided feedback on a remote re-en/de-en procedure proposal and a remote re-en/de-en decision tree developed by separate retailers. Regulators considered that the proposals did not provide sufficient detail and consideration of risk management for them to make decisions about endorsing a particular approach.
2. In December 2016, officials sent a request to the Australian Energy Council (AEC) for retailers to develop a consolidated remote re-en/de-en procedure proposal that would provide electrical safety regulators with the information they need to make a decision on allowing the use of these remote services. This request sought more information of the steps involved in the re-en/de-en process, the risks involved at each step and the risk mitigation processes that industry will use to offset these risks.
3. In response to this request, a group of retailers and metering providers undertook to develop a proposal and convened a working group under the auspices of the AEC. This working group is currently working on a proposal to address this request.
4. It is proposed that the proposal will be discussed at a metering safety forum attended by industry, safety regulators and policy officials in mid-September 2017.
5. This proposal will support safety regulators' decision on whether an industry self-regulated model is appropriate in different jurisdictions or whether other regulatory options are required to enable re-en/de-en services. Whether or not re-en/de-en can be used on commencement of metering competition will be subject to these decisions and existing jurisdictional regulations.

#### **Installation practices**

1. Leading up to the 1 December 2017 commencement date of Metering Competition, jurisdictional electrical safety regulators have reviewed their practices in relation to metering installation and are satisfied that current regulatory arrangements are appropriate in the context of metering competition. In March 2017, Victoria chose not to adopt the Metering Competition rule change until 2021.

2. The Competitive Metering Industry Group (CMIG) includes nine industry participants, and is developing a code of practice on the safe installation of meters. The code of practice is planned to support existing state regulations and development of common business practices for issues such as defect management.
3. The next metering safety forum in September will be an opportunity for CMIG to discuss the draft code of practice with stakeholders including jurisdictional electrical safety regulators.
4. We are aware there may be other related issues, in regards to the ownership of the meter, and whether state based regulations linked to Tenancy Laws need to be adjusted to support meter replacement. The safety forum will be an opportunity to get an update on these issues.

## **Fault rectification**

1. Metering Providers have started undertaking meter changes and in the course of this work, have encountered a number of sites with existing installations that contained faults. This has created uncertainty for the industry around how Metering Providers and other parties should deal with fault rectification.
2. There is some work underway by a number of parties to address this issue:
  - a. Retailers, DNSPs and Metering Coordinators are working on developing a notification process through B2B procedures. This includes via a Meter Fault Notification sent from the DNSP to the Retailer to advise the Retailer that they need to arrange work on the meter.
  - b. These parties are also working on a Meter Faults and Emergencies Process, which would apply in scenarios of a meter fault affecting the network. In such events, it is our understanding that some DNSPs will bridge meters and notify the retailer to replace the meter, other DNSPs will indicate that doing so is not their responsibility.
  - c. CMIG is working with industry to develop a code of practice for handling meter defects and faults, and is seeking to table this process with regulators.
3. The metering safety forum proposed to be held in mid-September will provide an opportunity for stakeholders to discuss whether the methods currently under development (B2B procedures, CMIG Code of Practice) can adequately address these identified fault rectification issues.
4. In determining a resolution to this issue, it will be necessary to take into account jurisdictional obligations on installers, metering providers, retailers, metering coordinators, and other parties. We understand that the Information Exchange Committee has taken this approach in developing B2B procedures, and that harmonisation of fault rectification processes across jurisdictions is likely to be a longer term objective.

## **Key questions:**

1. Are there jurisdiction issues which will impact the start of metering competition?
2. Are there specific jurisdiction issues which should be addressed to improve how the metering competition rules operate?