

IIR response for IN004/20 (BL and TSF changes in NSW/ACT) – Responses to be emailed to grcf@aemo.com.au by COB 16 August 2021.

Review comments submitted by: Red Energy and Lumo Energy

Date: 16/AUG/2021

Contact Person: Sean Jennings

Please complete sections 1 and 2. Section 3 is optional.

Section 1 – General Comments on the Impact and Implementation Report

Topic	Please Provide Response Here
<p>Sections 1 to 9 of the IIR sets out details of the proposal.</p> <p>Does your organisation support AEMO’s assessment of the proposal (i.e. does your organisation believe that AEMO has adequately described the requirements and surrounding context of the proposal)?</p> <p>If no, please specify areas in which your organisation disputes AEMO’s assessment (include IIR section reference number) of the proposal and include information that supports your organisation’s rationale for not supporting AEMO’s assessment.</p>	<p>Section 6. CONSISTENCY WITH NATION GAS RULES (NGR) AND NATIONAL GAS OBJECTIVE (NGO)</p> <p>On further reflection over the proposed changes, Red Energy and Lumo Energy (Red and Lumo) believe that the proposed changes are not consistent with the National Gas Rules and therefore cannot support AEMO’s assessment of the proposal because the proposed ‘Residential medium-density high-rise’ cannot be limited to <i>residential</i> classification. The proposed ‘Residential medium-density high-rise’ characterisation also encompasses customers without Volume Boundary (VB) or Volume Boundary Hybrid (VBH) meters and would impact the calculation of the BL And TSF values for these meters.</p> <p>JGN proposes to improve the quality of estimated reads for medium-density high-rise behind a Volume Boundary (VB) or Volume Boundary Hybrid (VBH) meter with the introduction of a new Estimation Methodology for BL and TSF calculation for ‘medium-density high-rise’. However the proposal currently assumes that medium-density high-rise is Residential, when the characterisation of customers as Residential or Business is dependent upon the customer’s use of the premises, not the fact that the meter is VB or VBH.</p> <p>While the use of the Estimation Type is restricted to VB and VBH meter types, the characterisation itself would be applicable to other customers\meters.</p>

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Since 'medium-density high-rise' does not require a VB or VBH meter, any medium-density high-rise site with an individual meter could readily be a Business customer. JGN's own "Portal Guide: Medium Density / High Rise Applications" indicates that individual metering is available and may be applicable to a Commercial customer.

The NSWACT RMP uses the NERL for the definition of customer. Under the NERL, **residential customer** means a customer who purchases energy principally for personal, household or domestic use at premises.

The NSWACT RMP then defines **Customer characterisation**

In relation to a Customer at a delivery point, whether the Customer is:

(a) 'metropolitan' or 'non-metropolitan', where metropolitan indicates the delivery point is on the NSW-Wilton or ACT Canberra network section; and

(b) 'residential' or 'business', where residential indicates the primary use of the consumed energy is for household purposes and business indicates the primary use of the consumed energy is for commercial purposes, as determined by the Customer's Retailer.

There is nothing to preclude a customer in a 'medium-density high-rise' being a business customer. There is also nothing precluding the customer use behind a VB or VBH meter from being, or becoming, predominantly business-related which should then require the reclassification of the customer.

Furthermore, while Red and Lumo agree that there may be some benefits from the intent of this proposed change, we disagree with the assertion that a new characterisation or estimation methodology will result in **more** actual readings. There may be better quality reads, however, the networks are not proposing to read these meters more frequently.

Extract from IIR

4.OVERALL COST AND BENEFITS

The specific benefits are:

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	<p>· <i>More actual readings and better-quality estimates will improve overall customer satisfaction in the medium density/high rise dwellings and enhance trust and confidence in the volume boundary (VB) meter product.</i></p> <p>In conclusion, Red and Lumo feel that there are too many unintended consequences to support the proposed changes.</p>
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Section 2 – Comments on RMP changes

Participants are to complete the relevant columns below in order to record their response.																														
Retail Market Procedures (NSW/ACT)																														
RMP Clause #	Issue / Comment	Proposed text Red strikeout means delete and blue underline means insert	AEMO Response (AEMO only)																											
A2.1 Gas Meters	<p>'medium-density high-rise' is not a defined term and cannot be restricted to Residential classification.</p> <p>We note that there are meters that could be both residential or businesses. There are too many unintended consequences for us to support at this time.</p>	<p>(c) Type 2 Estimation Methodology (Gas non-daily metered)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">NSW metro</td> <td style="text-align: center;">NSW</td> </tr> <tr> <td>Nonmetropolitan</td> <td></td> <td></td> </tr> <tr> <td>Residential</td> <td style="text-align: center;">R1</td> <td style="text-align: center;">R2</td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center; color: red;">Residential medium-density high-rise R3 R4</td> </tr> <tr> <td>Business</td> <td style="text-align: center;">B1</td> <td style="text-align: center;">B2</td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">ACT metropolitan</td> </tr> <tr> <td>Residential</td> <td style="text-align: center;">R1</td> <td></td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center; color: red;">Residential medium-density high-rise R3</td> </tr> <tr> <td>Business</td> <td style="text-align: center;">B1</td> <td></td> </tr> </table>		NSW metro	NSW	Nonmetropolitan			Residential	R1	R2		Residential medium-density high-rise R3 R4		Business	B1	B2		ACT metropolitan		Residential	R1			Residential medium-density high-rise R3		Business	B1		
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A3.2 Gas Meters	'medium-density high-rise' is not a defined term and cannot be restricted to Residential classification.	(c) Type 2 Estimation Methodology (Gas non-daily metered)																												

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	Nonmetropolitan		
	Residential	R1	R2
	Residential medium density high rise R3	R3	R4
	Business	B1	B2
		ACT metropolitan	
	Residential	R1	
	Residential medium density high rise R3		
	Business	B1	

Section 3¹ – Additional feedback that is not part of this consultation but warrants further investigations / discussions.

Topic	Please Provide Response Here
Does your organisation have any feedback / suggestions that closely relate to the scope or impacts this consultation, but the nature of the feedback / suggestion warrant further investigations / discussion? If so, please include your feedback / suggestions.	Red and Lumo have no further suggestions.

¹ Note - This feedback will be reviewed by AEMO at a later date, therefore will not be used for this consultation. AEMO will complete a preliminary assessment of the feedback assess the feedback and it may then form part of another consultation or the annual prioritisation process