



National Stakeholder Steering Committee

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NSSC Submission on the National Energy Customer Framework Second Exposure Draft Instruments

1. The National Stakeholder Steering Committee (**NSSC**) welcomes this opportunity to comment on the National Energy Customer Framework (**NECF**) and the second Exposure Drafts of the:
 - a. National Energy Retail Law (**NER Law**);
 - b. National Energy Retail Regulations (**NER Regulations**);
 - c. National Energy Retail Rules (**NER Rules**),as well as the proposed amendments to the National Electricity Rules (**NER**), comprising the draft National Electricity (Retail Support) Amendment Rule and the draft National Electricity (Retail Connection) Amendment Rules.
2. The NSSC is a stakeholder group comprising distributor, retailer and consumer representatives which has been established by the Ministerial Council on Energy (**MCE**) as a leadership body to facilitate the development of a consistent national framework for smart metering, within MCE policy objectives and NSSC vision statement. Given its membership, the NSSC is able to draw on a breadth of experience and interests to present a strategic view on smart metering issues.
3. The NSSC makes this submission having regard to the need for consistency between the NECF second Exposure Draft instruments and the NER and procedures made pursuant to the NER, and also to the framework issues raised by the NSSC in its submission in relation to the first Exposure Draft instruments. Attached to this submission are more specific comments on the provisions of the second Exposure Draft instruments. Generally, the NSSC has identified no significant issues.
4. As an expert industry/consumer body, the positions in this paper reflect the common view of the NSSC stakeholders in relation to smart metering and its interaction with the NECF.



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Energisation and de-energisation

5. In its submission on the first Exposure Draft instruments, the NSSC recommended that:
 - a. the definitions of 'energisation' and 'de-energisation' in the NER Law encompass remote energisation and de-energisation in relation to smart meters; and
 - b. accordingly, the regime for de-energisation and re-energisation of a customer's premises prescribed in Part 6 of the draft NER Rules should regulate the de-energisation and re-energisation of a customer's premises remotely using smart meters in the same manner as other meter types.
6. The NSSC confirms that the revised definitions of 'energisation' and 'de-energisation' contained in the second Exposure Draft of the NER Law would encompass remote energisation and de-energisation via a smart meter, and that its view remains that, generally, the NER Rules procedures for energisation and re-energisation at a customer's premises should apply equally to smart meters as well as other meter types.

Supply capacity control and load management

7. Neither the NECF first Exposure Draft instruments nor the NECF second Exposure Draft instruments specifically regulate supply capacity control or load management. The NSSC understands that their delivery is, and will continue to be, subject to any general limitations placed on negotiated distribution and retail contracts or through retail tariff conditions, absent specific regulation of these services in the NECF instruments. As discussed in paragraph 13, the NSSC believes further consideration is required in relation to such regulation.
8. More generally, the NSSC makes the following comments in relation to supply capacity control and load management under the NECF framework¹:
 - a. The definitions of 'energisation' and 'de-energisation' in the NER Law should not include or encompass supply capacity control and load management. If such services are to be regulated, they should be regulated separately to the energisation and de-energisation of a customer's premises. As noted in the NSSC's submission on the first Exposure Draft, express words may need to be included in the NER Law to this effect as the 'closing or opening of a connection' also encompasses the action of the supply contactor for supply capacity control and load management.

¹ Some of these comments were made by the NSSC in relation to the first Exposure Draft instruments



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- b. Distributors should be able to use supply capacity control as an alternative to the temporary interruption of supply for unplanned interruptions pursuant to Division 6 of Part 4 of the draft NER Rules (Distributor interruption to supply).
- c. This planned/unplanned interruption regime in Division 6 of Part 4 of the NER Rules should not, however, regulate (or restrict) load curtailment or supply capacity control activities undertaken pursuant to network or retail tariff conditions or agreements or incentive agreements.
- d. Accordingly, the NSSC supports the amendment to the definition of 'interruption' in section 411 of the NER Rules which excludes from the definition 'unavailability or curtailment [of supply] in accordance with the terms and conditions of a customer retail contract or customer connection contract, and any applicable tariff agreed with the customer'.

Matters that should fall within the scope of the NECF, if regulated

- 9. The NSSC notes that further work is being undertaken by SCO regarding consumer protection relevant to smart meters, to be incorporated into the NECF in the future, and that SCO is also developing a paper which discusses smart meter customer protection issues that are not related to the NECF.² The NSSC's comments in this section are directed to this future work.
- 10. The NSSC notes that the NECF second Exposure Draft instruments, as currently drafted, will not accommodate the direct provision of smart metering infrastructure and smart metering services by persons other than distributors.
- 11. The NSSC is considering the issue of whether provision of smart metering infrastructure will be contestable following the end of a mandate period and whether the smart metering services associated with that infrastructure will also be contestable, which issues will also include consideration of provision of smart metering services by persons other than distributors. The NSSC will be providing advice to SCO in this regard.
- 12. If persons other than distributors are to be able to directly undertake remote de-energisation and re-energisation, supply capacity limiting and load management enabled by smart meters, in the view of the NSSC, it is the NECF instruments that should contain the relevant enabling provisions.
- 13. In addition, and regardless of whether supply capacity limiting or load management services may be directly provided by a party other than the distributor, further consideration is necessary regarding the need for regulation in relation to the following matters:

² See Attachment D to the Explanatory Material to the Second Exposure Draft of the NECF at p29.



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- a. the provision/sale by a retailer of supply capacity control and load management services, and the circumstances of use of those services (for example, whether a retailer will be permitted to request that a supply capacity limit is imposed on a consumer for credit control purposes).
 - b. the provision/sale by a distributor of supply capacity control and load management products directly to consumers.
14. In the view of the NSSC these matters, if regulated, are properly addressed in the NECF instruments.
15. Moreover, these are significant issues for the practical implementation of smart metering, and will also impact on the work of the NSSC, particularly amendments to the National Electricity Rules procedures. Without pre-empting any consideration that the NSSC may give to these issues, it is important that there be a process for resolving them so that the NSSC is able to address their impact in completing its work program.

Thank you again for the opportunity to provide comments on the NECF second Exposure Draft instruments. If you have any questions on the points raised in this submission please do not hesitate to contact the National Smart Metering Program Director, Harry Koller of PriceWaterhouse Coopers, on 0413-079-484 or via email on Harry.Koller@au.pwc.com. Mr Koller can also arrange for you to discuss any queries with the NSSC's Legal and Regulatory Advisors, Rohan Madders and Alex Badham, of Johnson Winter and Slattery.

Kind Regards

A handwritten signature in black ink, appearing to read "David Miles", with a large, stylized flourish on the left side.

David Miles
NSSC Chair

Attachment A

Comments – Second Exposure Draft of the National Energy Customer Framework

National Smart Metering Program – National Stakeholder Steering Committee

NER Rules		
Section	Subject Matter	Comment
103 207	Definition of 'meter' Access to meter/metering equipment	<p>In its submission on the first Exposure Draft, the NSSC suggested that the definition of 'meter' be expanded to refer also to metering equipment, including communications infrastructure, to facilitate a distributor's ability to access such equipment (and require a customer to provide access to such equipment). (Current regulatory arrangements require customers to provide distributors with safe and unhindered access to the meters and metering equipment so that the assets can be appropriately maintained.) Smart meter infrastructure likely to be located at a customer's premises may extend beyond the meter.</p> <p>The NSSC's preferred term is 'meter and associated infrastructure' and suggests that:</p> <ul style="list-style-type: none"> - rule 207 of the second Exposure Draft of the NER Rules be amended to require a small customer to ensure that there is safe and unhindered access to the 'meter and associated infrastructure' at the premises. - the customer's obligation under clause 8.1. of the deemed standard connection contract, to provide safe and unhindered access to the premises, be extended to provide safe and unhindered access to the meter and associated infrastructure and that the reference to 'metering installation' in clause 8.1(a) be changed to meter and associated infrastructure.- - references to 'metering equipment' in the NECF instruments be replaced with 'meter and associated infrastructure'
213	Bill content	<p>NER Rule 213(1)(i) should be amended so that the date of the meter reading need only be shown on the bill 'where the meter is manually read'. Smart meters will read and record energy consumption on a half hourly basis and there will be frequent (daily) remote collection of metering data.</p> <p>NER Rule 213(1)(j) should be amended so that the values of metering reads or metering data for the</p>



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		<p>billing period need only be shown on the bill 'where the meter is, or is read as, an accumulation meter'. This should not, however, remove the requirement for a bill to show total energy consumption for a billing period.</p> <p>The RPWG does not seem to have considered these issues in their commentary on how energy consumption information is presented to customers contained in the explanatory memorandum.³ The RPWG is proposing that Rule 213(n) which requires that a bill provide details of consumption or estimated consumption of energy, be amended so that energy consumption details are provided for each relevant retail tariff segment. The NSSC supports this approach.</p>
216	Historical billing information	<p>The RPWG is proposing that a customer may request either a summary or full set of historical billing data (i.e. so that the customer may receive a summary of smart metering data or the 'full set' of smart metering data').⁴ The NSSC supports this approach, but suggest that section 216(3) requires the distributor to provide metering data to support the provision of historical billing information by a retailer, rather than historical billing information (as metering data is the only data available to distributors).</p>
411 and 413	Distributor interruption to supply	<p>Consistent with the NSSC's submission in relation to the first Exposure Draft, NER Rule 411 and clause 9.1(a) of the model terms and conditions for deemed standard distribution contracts have been expanded to allow a distributor to interrupt supply for repair/maintenance/augmentation of the distribution system, 'including metering equipment'.</p> <p>NER Rule 413 and clause 9.3 of the model terms and conditions for deemed standard connection contracts (dealing with planned interruptions) continue to require that a distributor to give 4 business days notice of supply interruption where a meter or associated infrastructure needs repair.</p> <p>With the implementation of smart meters, the ability to obtain daily metering data will result in changes to the commercial dealings of retailers and distributors, and retailer and distributor reliance on daily metering data and data integrity will require quicker attention to difficulties in obtaining data. Also, given the nature of proposed smart meter communications systems, faulty communication equipment in an</p>

³ See Attachment D to the Explanatory Material to the Second Exposure Draft of the NECF at p30.

⁴ See Attachment D to the Explanatory Material to the Second Exposure Draft of the NECF at p30.



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		<p>individual customer meter may prevent data from other customer metering points from being collected. This means that a number of customers (due to serial data transmission) would need to be billed on substituted data for at least a week. In addition related services may be impacted (for example, if the smart meter is also used to facilitate water metering or customer home area network services). Smart meters and associated infrastructure will need to be repaired quickly (i.e. in less than a 4 business day time period) to support these changed commercial arrangements and avoid use of substituted data.</p> <p>The NSSC, suggests that repair of a meter and associated infrastructure be treated as an 'unplanned interruption', particularly where distributors are prevented from obtaining metering data.</p>
803	Prepayment meter display	<p>If smart meters are to be used as prepayment meters, the Rules requirement that a 'prepayment meter system' display certain information would result in a (costly) hardware change to the smart meter to meet those information requirements, where such information could, for example, be provided via the in-home display instead. In addition, the NSSC suggests amending the definition of 'prepayment meter system' in the NER Law so that it clearly includes the remote operation of the smart meter (if the smart meter is used as a prepayment meter) and so that the definition is clear that billing calculations are not done in the smart meter as this will increase the meter's cost. The billing calculations to support pre-payment can be done in back office processes.</p>