



ACTIVESTREAM

23 July 2015

**Mr Richard Owens**  
**Australian Energy Market Commission**  
**PO Box A2449**  
**Sydney South NSW 1235**

Lodged online: [www.aemc.com.au](http://www.aemc.com.au)

Dear Mr Owens,

**RE: Draft Advice – Implementation of the Shared Market Protocol**  
**(Reference: EMO0029)**

Active Stream Pty Ltd (**Active Stream**) welcomes the opportunity to provide a submission to the Australian Energy Market Commission (**AEMC**) in response to its Draft Advice on the Implementation of the Shared Market Protocol (the **Draft Advice**).

Active Stream is an accredited Meter Provider and Meter Data Provider, which delivers digital meters and data services to energy retailers, distributors, and other businesses in the National Electricity Market (NEM). Established in 2014, Active Stream is a wholly-owned subsidiary of AGL Energy Limited, our digital metering solutions enable businesses to fully realise the benefits of advanced metering technology to deliver their services more efficiently and offer innovative products which better meet the needs of current and future energy consumers.

As a metering service provider operating in the market, we support the general recommendation of this Draft Advice, specifically that market parties should have the ability to use alternative forms of communication on a commercial basis, and that governance of the B2B Procedures should be managed by a re-purposed industry body. Active Stream considers that this approach aligns most effectively with the policy intent set out in the AEMC's Metering Competition draft rule<sup>1</sup> (Metering Competition Rule) and is most appropriate as industry members bear the costs of all B2B procedural development.

We agree that the existing arrangements put in place under the auspice of the Information Exchange Committee (IEC) are no longer appropriate. This is primarily because as it does not provide metering service businesses (or other new market entrants) the ability to hold representation on the committee, nor does it provide a suitable channel for wider industry collaboration due to its restrictive nature.

Active Stream however, does not support the proposed breakdown of industry membership proposed in the Draft Advice. We do not believe that one representative covering all Metering Coordinators, Metering Providers and Metering Data Providers will enable metering service businesses to actively engage and promote constructive

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<sup>1</sup> Expanding Competition in Metering and Related Services (Reference No: ERC0169)



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B2B Procedural development. It also does not provide sufficient voice to the myriad of business models that may result from metering competition.

In our view, capping the number of representatives will incorrectly apply the same model that exists today, rather than creating a model that is conducive to the future operating environment. Instead, Active Stream encourages the AEMC to work with industry to develop suitable principles which would underpin an industry-managed process, rather than mandating a particular governance structure. Industry could then use these principles to develop a suitable flexible structure, in consultation with the Australian Energy Market Operator (AEMO)<sup>2</sup>.

Active Stream is generally comfortable with the revised B2B principles which the re-purposed industry group would apply, where it was considering a new or modified B2B procedure. Active Stream notes that a few of the proposed B2B principles will require a cost benefit analysis to determine its effectiveness. We suggest that in the absence of an assessment methodology, the re-purposed industry group should work out the best way of meeting these requirements. In addition, Active Stream also considers that the re-purposed industry body should have the ability to add, modify or remove B2B principles where it has determined that the B2B principle/s are not 'fit for purpose', and general support has been achieved through a collaborative industry wide consultation process.

With respect to cost recovery associated with the development, management and administration of the B2B e-hub, Active Stream believes that all users of the infrastructure should pay their fair share of costs. We support AEMO managing the cost recovery mechanism as per existing market function and encourage the AEMC to develop a suitable high level framework that enables AEMO to work openly and collectively with industry on the mechanism detail.

Lastly, Active Stream considers the SMP as an important aspect to further enabling metering competition in the NEM. However, we do not consider it necessary to implement the SMP prior to or at the same time as metering competition is affected. Market parties will continue to have access to the B2B e-hub for existing market services and smart services not supported by this system (based on functionality or capability) can be completed via alternative communication channels in the interim.

Given the critical policy reform embedded in the Metering Competition Rule, including the introduction of the Metering Coordinator function, clarification of roles, responsibilities, interactions and liabilities of market parties, and the implementation of the minimum service specification for digital meters; we believe that this rule must not be further delayed or impacted. Should implementation of the SMP give rise to potential delays, the implementation timetable for the Metering Competition Rule and the SMP must be separated.

Active Stream welcomes the opportunity to participate in further collaboration on the implementation of Power of Choice market reforms. We are also open to increasing the frequency of meetings where there is an industry wide desire to do so, to ensure the implementation timetable is met.

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<sup>2</sup> In AEMO's capacity as IEC secretariat.



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If you would like further details or clarification on our views, please contact Dan Mascarenhas on (03) 8633 7874 or [DMascarenhas@activestream.com.au](mailto:DMascarenhas@activestream.com.au).

Yours sincerely,

Jason Clark  
**General Manager**

YOUR METER + DATA PARTNERS