Delivering energy to South Australians

19 May 2006

Dr John Tamblyn Chairman Australian Energy Market Commission Level 16, 1 Margaret Street Sydney NSW 2000

Email: submissions@aemc.gov.au

Dear Dr Tamblyn

#### **Rule for the Harmonisation of Metrology**

Thank you for the opportunity to comment on the proposals to make a series of Rule changes regarding the metering arrangements in the National Electricity Market as set out in NEMMCO's submission dated 3 February 2006.

ETSA Utilities is the electricity distributor in South Australia who is registered by NEMMCO as Network Service Provider and will be directly affected by the outcomes arising from this proposal.

ETSA Utilities would like to make the following two general comments:

- this opportunity should be taken to renumber Chapter 7 to improve understanding and readability; and
- the general requirements specified for metering installations within Chapter 7 needs to recognise that the requirements for types 1 to 4 are specified within Chapter 7 and types 5 to 7 will be specified in the Metrology Procedures.

ETSA Utilities supports the general intention of the proposed Rule changes but have a number of specific concerns about the details which are set out in the attached table for your consideration.

Please contact Grant Cox (08) 8404 5012 or email to <u>cox.grant@etsa.com.au</u> if you require any further information in relation to this matter.

Yours sincerely

Eric Lindner General Manager Corporate Affairs

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#### Metrology Harmonisation – Proposed Rule Change

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7.0	Deene		lity for Motoring Installation	
1.2	Respo	ומוצו	ity for metering instanation	
7.2.1	Respor	nsibl	e person's responsibilities	
	(a)	The inst acc	e <i>responsible person</i> is responsible for the provision, tallation and maintenance of a <i>metering installation</i> in cordance with Chapter 7 and the <i>metrology procedure</i> ;	
	(b)	NE Rul per	<i>MMCO</i> must establish guidelines, in accordance with the <i>les consultation procedures</i> , on the role of the <i>responsible rson</i> as required by the <i>Rules</i> -;	
	(c)	The	e responsible person must:	
		(1)	undertake the duties of the <i>responsible person</i> for that <i>metering installation</i> , in accordance with Chapter 7 and the <i>metrology procedure</i> ;	
		(2)	engage a <i>Metering Provider</i> to conduct the relevant work or, where the <i>responsible person</i> is required to do so by the <i>metrology procedure</i> , allow another person to engage a <i>Metering Provider</i> to install the relevant <i>metering</i> <i>installation</i> ;	The arrangements set out in Clause $7.2.1(c)(3)$ may not adequately provide for the circumstances where the responsible person is also an accredited metering
		(3)	enter into an agreement with a <i>Metering Provider</i> that includes the terms and conditions for the provision, installation and maintenance of the <i>metering installation</i> by the <i>Metering Provider</i> or, where a <i>responsible person</i> allows another person to engage a <i>Metering Provider</i> in accordance with clause $7.2.1(c)(2)$ , enter into an	provider such as often occurs for LINSP's.

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<ul> <li>agreement with a <i>Metering Provider</i> for the maintenance of the <i>metering installation;</i> and</li> <li>(4) provide <i>NEMMCO</i> with the relevant details of the <i>metering installation</i> contained in schedule 7.5 within 10 <i>business days</i> of entering into an agreement with the <i>Metering Provider;</i></li> <li>(d) Nothing in clause 7.2.1(c) prevents a <i>responsible person</i> electing to terminate its clause 7.2.1(c)(3) agreement with a <i>Metering Provider</i> after installation of a <i>meter</i> and entering into a new agreement with another <i>Metering Provider</i> for the maintenance of the <i>metering installation</i>.</li> </ul>	The agreement referred to in clause 7.2.1(c)(4) could precede the meter installation date by more than 10 days which makes it problematic to advise NEMMCO about the relevant details of the metering installation. Consideration should be given to the timeframe being referenced to the time the metering installation is installed.
<ul> <li>7.2.2 Responsibility of Local Network Service Provider</li> <li>(c) Where a Local Network Service Provider is the responsible person, the Local Network Service Provider must provide NEMMCO with the metering installation's NMI within 10 business days of a Market Participant's acceptance of the connection agreement formed under clause 5.3.7.</li> </ul>	LNSP's whether the RP or not issues, and registers with NEMMCO the NMI as per the MSATS CATS procedures. FRMP registers NMI's with NEMMCO for embedded network children
	WE consider that timw framwes for registration should be detailed in the MSATS CATS procedures as currently.

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7.2.3 Elec pers (ab	<ul> <li>tion by a Market Participant to be the responsible on</li> <li>If an agreement arising from acceptance of the clause 7.2.2(b) offer is terminated due to breach by the <i>Market Participant</i>, the <i>Market Participant</i> becomes the <i>responsible person</i> for that <i>metering installation</i> upon termination of that agreement.</li> </ul>	Clause 7.2.3(ab) refers to termination of agreements made under 7.2.2(b) which includes offers made for the installation of type 5, 6 or 7. There is no scope under clause 7.2.2 for the <i>Market Participant</i> to become the <i>responsible person</i> , for type 5, 6 or 7 metering therefore it is not appropriate for the <i>Market</i> <i>Participant</i> to assume the role of <i>Market Participant</i> in the circumstances contemplated by clause 7.2.3(ab). Clause 7.2.3(ab) should be restricted to type 1, 2, 3 and 4 metering installations.
7.2.5 Othe	er responsibilities in its role as incoming responsible person, be responsible for the metering installation on the day that a market load transfers from one financially responsible Market Participant to another financially responsible Market Participant for the period as specified in the Market Settlements and Transfer Solution Procedures.	Clause 7.2.5(h) has been included to provide a head of power for accepted practice. MSATS already has a head of power under clause 7.2.8. It would be clearer to either put the required times (00:01 to 24:00) into clause (h) or delete the clause and include the obligation in MSATS. Clause 7.2.5(h) creates difficulties if the metering installation is changed before the market load is transferred. It creates the unsatisfactory situation of the "old" responsible person being responsible for a metering installation provided under the direction of the "new" responsible person by a metering provider that may not have a relationship with the "old" responsible person. This problem of transition of

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		not obvious why this clause is required to create a head of power in addition to the power to develop MSATS procedures provided by clause 7.2.8. Consideration should be given to deleting clause 7.2.5(h)
7.3.2A Metrolo	ogy Procedure	
(a) T to K c	The initial <i>metrology procedure</i> under clause 7.3.2A is deemed o have been prepared and <i>published</i> in accordance with the <i>Rules consultation procedures</i> and takes effect on the date clause 7.3.2A takes effect;	Acceptance of this clause,7.3.2A, is conditional on the claim that the metrology procedure does not include any new obligations on ETSA Utilities.
(c) T (	<ul> <li>The metrology procedure may:</li> <li>1) implement jurisdictional policy directives for one or more participating jurisdictions, provided: <ul> <li>(A) the participating jurisdiction's Minister provides NEMMCO with a detailed written explanation as to why the Minister's participating jurisdiction cannot adopt the metrology procedure;</li> <li>(B) the jurisdictional policy directive contains a date by which a participating jurisdiction will undertake a review to evaluate that participating jurisdictional policy directive with the metrology procedure ('the review date');</li> </ul> </li> </ul>	As a matter of principle these provisions should not be permitted to create further divergence in metrology procedures applicable to the NEM jurisdictions. This would be contrary to the objective of having a single National Metrology Procedures. The ability for jurisdictions to individually issue jurisdictional policy directives to influence the metrology procedure should be limited to initiatives currently in progress such as the introduction of FRC in Queensland and the Advanced Metering Infrastructure project in Victoria. Such a limitation could be provided by including a sunset date for such jurisdictional policy directives, say 1 January 2008.
	(C) the <i>jurisdictional policy directive</i> , as implemented by the <i>metrology procedure</i> , ends on the review date unless the relevant <i>Minister</i> issues <i>NEMMCO</i>	After the sunset date all policy directives would be via the MCE. (See also comments in relation to the

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	with a new <i>jurisdictional policy directive</i> in accordance with clause 7.3.2A(g);	definition of "jurisdictional policy directive".
(D)	the <i>jurisdictional policy directive</i> is consistent in content with the information specified in clauses $7.3.2A(b)(1)$ and $7.3.2A(c)(2)$ , but may also address the following matters for the relevant <i>participating jurisdiction</i> :	The effect of Clause (B) and (C) could lead to the unexpected termination of provisions created under a jurisdictional directive if the review date is overlooked. An alternative mechanism is required to ensure that a review is conducted before the provisions expire.
	<ul> <li>guidelines for the replacement of a device capable of producing <i>interval energy data</i> with a device that only produces <i>accumulated</i> <i>energy data</i>; and</li> </ul>	Clause 7.3.2A (D)(ii) The specification of a <i>type 5 accumulation boundary</i> other than zero as provided in this clause will present practical problems because
	<ul> <li>(ii) the specification of the <i>type 5 accumulation</i> <i>boundary</i>. The <i>type 5 accumulation boundary</i> is to be zero MWh unless specified otherwise in the <i>metrology procedure</i>;</li> </ul>	customer's consumption is variable and unless this is accommodated in a practical way in the definition there will be relatively onerous procedures to deal with customer loads which move across this boundary. The responsible person needs to be given reasonable
(E)	the <i>metering data</i> is not prevented from being extracted or emanating from a <i>data logger</i> as <i>interval energy data</i> if required by the <i>financially</i>	discretion and flexibility for collection of metering data for loads around the 5 <i>accumulation boundary</i> .
	responsible Market Participant or an Local Network Service Provider for the purpose other than for settlements;	Clause 7.3.2A (E) – the drafting could be improved by replacing the words "for the purpose other than for settlements" with "for any purpose other than for settlements"
(2) conta	ain the following matters:	In clause 7.3.2A (2)(A)(ii) there is reference to "service
<u>(A)</u>	Clarification of the <i>Rules</i> in regards to the following processes: (i) <i>load</i> profiling;	of meters". If it is intended that this is a reference to "maintenance" it would be preferable to use this term for consistency with other provisions such as 7.1.2.

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	(ii) provision and service of <i>meters</i> ;	
	(iii) provision of <i>energy data services</i> ;	
	(iv) metrology for a <i>market load</i> connected to a <i>network</i> where the owner or operator of that <i>network</i> is not a <i>Registered Participant</i> ; and	
	(v) accreditation of <i>Metering Providers</i> ;	
(B)	A more detailed specification of the following technical standards:	
	(i) the accuracy of <i>metering installations</i> ;	
	(ii) <i>data logger</i> standards;	
	(iii) inspection and testing standards;	
	(iv) Metering Provider accreditation standards;	
	(v) the technical requirements of the <i>metering installation's</i> database; and	
	<ul> <li>(vi) the technical standards for <i>metering</i> of a <i>market load</i> that are is connected to a <i>network</i> where the operator or owner of that <i>network</i> is not a <i>Registered Participant</i>;</li> </ul>	
(C)	Clarification of the <i>Rules</i> covering obligations imposed on the following persons:	
	(i) responsible persons;	
	(ii) <i>NEMMCO</i> ; and	
	(iii) Metering Providers;	

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	(6) contain information to ensure consistency in practice between the <i>metrology procedure</i> and other instruments, including but not limited to the practices adopted in the <i>Market Settlement and Transfer Solution Procedures</i> ;	In Clause 7.3.2A(c)(6) it would be appropriate to also include reference to the need to ensure consistency with B2B procedures.
(d)	a <i>Minister</i> may delegate the right to issue a <i>jurisdictional</i> policy directive by instrument of delegation, a certified copy of which must be provided to <i>NEMMCO</i> if the <i>Minister's</i> delegate issues a <i>jurisdictional policy directive</i> under clause $7.3.2A(c)(1)(A)$ ;	Clause 7.3.2A(d) – It is unclear why a provision for the Minister to delegate the right to issue a jurisdictional policy directive is required. This provision should be
(g)	Any person may submit to <i>NEMMCO</i> a proposal to amend the <i>metrology procedure</i> . <i>NEMMCO</i> must receive and consider a proposal for the amendment of a <i>metrology procedure</i> . If the proposal for an amendment is:	deleted.
	(1) a jurisdictional policy directive, NEMMCO must:	
	(A) acknowledge receipt to the relevant <i>Minister</i> ;	
	<ul> <li>(B) undertake the <i>Rules consultation procedure</i> and include in that consultation the <i>Minister's</i> written explanation specified in clause 7.3.2A(c)(1)(A);</li> </ul>	
	<ul> <li>(C) at the conclusion of the <i>Rules consultation</i> procedure conducted under clause 7.3.2A(g)(1)(B), advise the relevant <i>Minister</i> of the outcome of that <i>Rules consultation procedure</i>;</li> </ul>	
	<ul> <li>(D) unless advised otherwise by the <i>Minister</i> resulting from information provided to the <i>Minister</i> under clause 7.3.2A(g)(1)(C), incorporate any</li> </ul>	Clause 7.3.2A(g)(D) provides a potentially

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		jurisdictional policy directive in the metrology procedure that is in the nature of a guideline, specification or other standard for the Minister's participating jurisdiction;	unsatisfactory conclusion to the consultation process required under (B) and (C). Good regulatory practice requires the rationale for the final decision to be clearly explained not simply implemented "unless advised otherwise by the Minister." At the very least, the relevant Minister should consider the material provided under (C) and confirm the decision including the reasoning behind the confirmation.
7.3.4	Meteri	ng installation types and accuracy	
	(a)	The type of <i>metering installation</i> and the accuracy requirements for a <i>metering installation</i> that must be installed in respect of each <i>connection point</i> are to be determined in accordance with schedule 7.2;-	The drafting note describes the intention of Clause 7.3.4(aa) to be related to the replacement of type 5, 6 or 7 metering with type 4 metering. However, this is not reflected in the drafting which proposes a right for the FRMP to arrange alteration to type 5, 6 or 7 metering
	(aa)	The <i>financially responsible Market Participant</i> may arrange alterations to any type 5, type 6 or type 7 <i>metering installation</i> to make it capable of <i>remote acquisition</i> unless otherwise provided for in the <i>metrology procedure</i> ;	installations relating to "remote acquisition" which is inconsistent with clause 7.2.3 where the Market Participant may only elect to be responsible for type 1, 2, 3 or 4 metering installations. It is also unclear how
	(ab)	The type 5, type 6 or type 7 <i>metering installation</i> under clause 7.3.4(aa) must not be altered until the transfer of the relevant <i>market load</i> has been effected by <i>NEMMCO</i> in accordance with the <i>Market Settlement and Transfer Solution Procedures</i> , unless the <i>Market Settlement and Transfer Solution Procedures</i> specify arrangements for the alteration of the <i>metering installation</i> to be carried out on a date that is different to the <i>market load</i> transfer date;	<ul> <li>"remote acquisition" relates to type 7 metering installations. The provision should be redrafted to restrict the option to those situations where the replacement results in a type 4 metering installation.</li> <li>Clause 7.3.4(ab) would be improved by the following amendment.</li> <li>The type 5, type 6 or type 7 metering installation under clause 7.3.4(aa) must not be altered under clause 7.3.4(aa) until the transfer of the relevant market load has been effected by</li> </ul>

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	NEMMCO in accordance with the Market Settlement and Transfer Solution Procedures, unless the Market Settlement and Transfer Solution Procedures specify arrangements for the alteration of the metering installation to be carried out on a date that is different to the market load transfer date
7.11 Performance of Metering Installation	
b) If an outage or malfunction occurs to a metering installation, repairs must be made to the metering installation as soon as practicable and in any event within 2 days of detection or such time as detection should have reasonably occurred, unless an exemption is obtained from NEMMCO.;	The time to repair specified in clause 7.11(b) is appropriate for type 1 to 4 metering installations but not for type 5, 6 and 7. Our current Metering Code allows business 10 days
<b>GLOSSARY TERMS</b> (Reproduced here to assist in the review of the changes to Chapter 7)	
remote acquisition: (new)	
The acquisition of <i>metering data</i> from a <i>metering installation</i> , where the acquisition process is designed to transmit the <i>metering data</i> from the site of the <i>metering point</i> to the <i>metering database</i> , and does not, at any time, require the presence of a person at, or near, the <i>meter</i> for the purposes of data collection or data verification (whether this occurs manually as a walk by reading or through the use of a vehicle as a close proximity drive-by reading), and includes but is not limited to an interval <i>meter</i> that transmits <i>metering data</i> via: (1) direct dial-up; (2) satellite: (3) the	The use of the word "designed" in the context of "where the acquisition process is designed to transmit the <i>metering data</i> from the site of the <i>metering point</i> to the <i>metering database</i> " could be interpreted to mean a capability which is designed into the process but not necessarily used. The drafting should be amended to "The acquisition of
internet; (4) a general packet radio service; (5) power line carrier; or (6)	metering data from a metering installation, where the

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any other equivalent technology.	acquisition process is designed to transmits the <i>metering data</i> from the site of the <i>metering point</i> to the <i>metering database</i> ," to remove uncertainty.
Type 5 accumulation boundary: (new) The volume of energy for a connection point above which the metering data that is extracted or emanates from a type 5 metering installation must be extracted or emanate as interval energy data for the purpose of producing settlements ready data. Below the type 5 accumulation boundary, the metering data may be extracted or emanate from the metering installation as accumulated energy data for the purpose of producing settlements ready data, in which case the metering installation must be registered with NEMMCO as a type 6 metering installation, otherwise the metering data may be extracted or emanate as interval energy data for the purpose of producing settlements ready data.	This point of demarcation above which metering data must be extracted as interval energy data would be more easily understood if it were to be referred to as the "Type 5 accumulation limit". See also comments at 7.3.2A(c) (D)(ii) about the practicality of this provision because customers consumption is variable and unless this is accommodated in a practical way in the definition there will be relatively onerous procedures to deal with customer loads which move across this boundary. For new customers the lack of historic data creates additional uncertainty about what the volume of energy will be and whether or not it will trigger the accumulation boundary. The responsible person needs to be given reasonable discretion and flexibility for collection of metering data for loads around the <i>type 5</i> <i>accumulation boundary</i> .
<b>S7.2.3</b> Accuracy requirements for metering installations Note 3: A type 5 <i>metering installation</i> must comply with the <i>metrology</i> <i>procedure</i> when converting <i>active energy</i> into <i>metering data</i> . The value of "x" must be determined by the relevant Minister and must	The metering types shown in Schedule 7.2.3 do not include the concept of "small" Type 4 and "large" Type 4 contemplated in section A2(b) of Attachment A: Statement in Support of Request for Changes to the
be provided as a <i>jurisdictional policy directive</i> to <i>NEMMCO</i> . The maximum acceptable value of "x" is 750 MWh per annum. The	Rules. It would be clearer if this demarcation was set out in the Rules.

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	<i>metering installation</i> may provide delays in transferring the <i>interval</i> <i>energy</i> data to a remote location where access to a <i>telecommunications network</i> has been established. Where such delays are approved by the relevant <i>Minister</i> , the approval must be provided as a <i>jurisdictional policy directive</i> to <i>NEMMCO</i> . The <i>metrology procedure</i> must record the value of "x" for each	It would be appropriate for "small" Type 4 meters to be subject to Note 3, Note 3a and Note 3b which are applicable to Type 5 metering rather than Notes 2 and 2a which are relevant to Type 4 metering.
	jurisdiction, and indicate how <i>interval energy data</i> will be established for type 5 <i>metering installations</i> in that <i>participating jurisdiction</i> during the period of delay.	Similarly the "x" limit applicable to Type 5 metering should also apply to "small" Type 4 metering to appropriately separate the less frequently read "small" Type 4 metering installations from the more frequently
Note 4:	A metrology procedure must be prepared and published by NEMMCO for the purpose of converting active energy into metering data. The value of "y" must be determined by the relevant Minister and must be provided as a jurisdictional policy directive to NEMMCO. The maximum acceptable value of "y" is 750 MWh per annum. This metering installation type provides for accumulated energy data to be transferred to a remote location where access to a telecommunication network has been established. The metrology procedure must record the value of "y" for each participating jurisdiction, and identify the method by which accumulated energy data is to be converted into trading interval data in accordance with clause 7.9.3(b), and the method by which estimated energy data is to be prepared during the period when the accumulated energy data is not available. Devices within the metering installation may provide accumulated energy data in pre-determined daily time periods where such time periods are contained in the metrology procedure.	read "large" Type 4 metering installations. Note 3 gives the Ministers of each jurisdiction direct control over the values of "x" and "y". It is unclear why this should be the case for matters that relate directly to metrology. It would be preferable, and provide greater certainty to participants, if the current jurisdictional values were provided respectively and any future amendments were made through the normal Rules consultation process. This would also overcome the risk that jurisdictions could further diverge under the proposed arrangements.
		In Note 4, insert the words "from a type 6 metering installation" after the words "active energy" in the second line.

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Schedule 7.4	- Metering Provider	
<b>S7.4.2 Categ</b> (c)	<b>Jories of registration</b> <i>NEMMCO</i> may establish an Accredited Service Provider category of registration for a <i>Metering Provider</i> in accordance with clause S7.4.5;	See comments below under S7.4.5
<b>S7.4.5 Capa</b> (a) (b) (c) (d) (e)	<ul> <li>bilities of Accredited Service Provider</li> <li>A Metering Provider who is registered in the category of Accredited Service Provider may only perform work on a type 5 or type 6 metering installation for the purpose of installing that metering installation;</li> <li>NEMMCO must include the Accredited Service Provider category in the accreditation guidelines prepared and published under clause 7.4.2(ba);</li> <li>NEMMCO may determine the competencies of a Metering Provider registered in the category of an Accredited Service Provider;</li> <li>NEMMCO may determine different Accredited Service Provider;</li> <li>The Accredited Service Provider competencies determined under clause \$7.4.5(c) must be consistent with the service requirements established in the metrology procedure in respect of the work to be performed under clause \$7.4.5(a).</li> </ul>	The proposal to create a <i>Metering Provider</i> category of Accredited Service Provider which is restricted to the installation only of certain types of meters is inconsistent with S7.4.1 which requires a <i>Metering</i> <i>Provider</i> to "ensure that the <i>metering installation</i> is installed and maintained in accordance with" In other words a <i>Metering Provider</i> must be responsible for maintenance also which is inconsistent with the intention behind creating the Accredited Service Provider. It would be better not to confuse the role of the <i>Metering Provider</i> by referring to the Accredited Service Provider as a class of <i>Metering Provider</i> but rather a category of persons accredited to carry out certain limited functions on behalf of the <i>Metering</i> <i>Provider</i> .

