

# INTRODUCTION TO COMPETITION IN METERING AND RELATED SERVICES IN ELECTRICITY

IWA Energy and Greenhouse Special Interest Group – November 2014

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- Background
- Overview of rule change
  - New relationships
  - Core elements of rule change
- Key issues under consideration
- Timeline for finalisation
- Water sector implications



## BACKGROUND



## COAG submitted a rule change in early 2014 as part of their broader energy market reform agenda.

- Rule change was seeking to promote competition in provision of metering and related services.
- Currently customers who are on accumulation meters or small customers on interval meters can only receive the meter and related services from their distributor.
  - Large customers can choose their metering provider and meter data provider.
- Objectives are to support uptake of new energy products and services to promote consumer participation and choice.
- COAG considers current regulator arrangements inhibiting commercial investment in metering technologies
  - Including participating in demand side products and services.



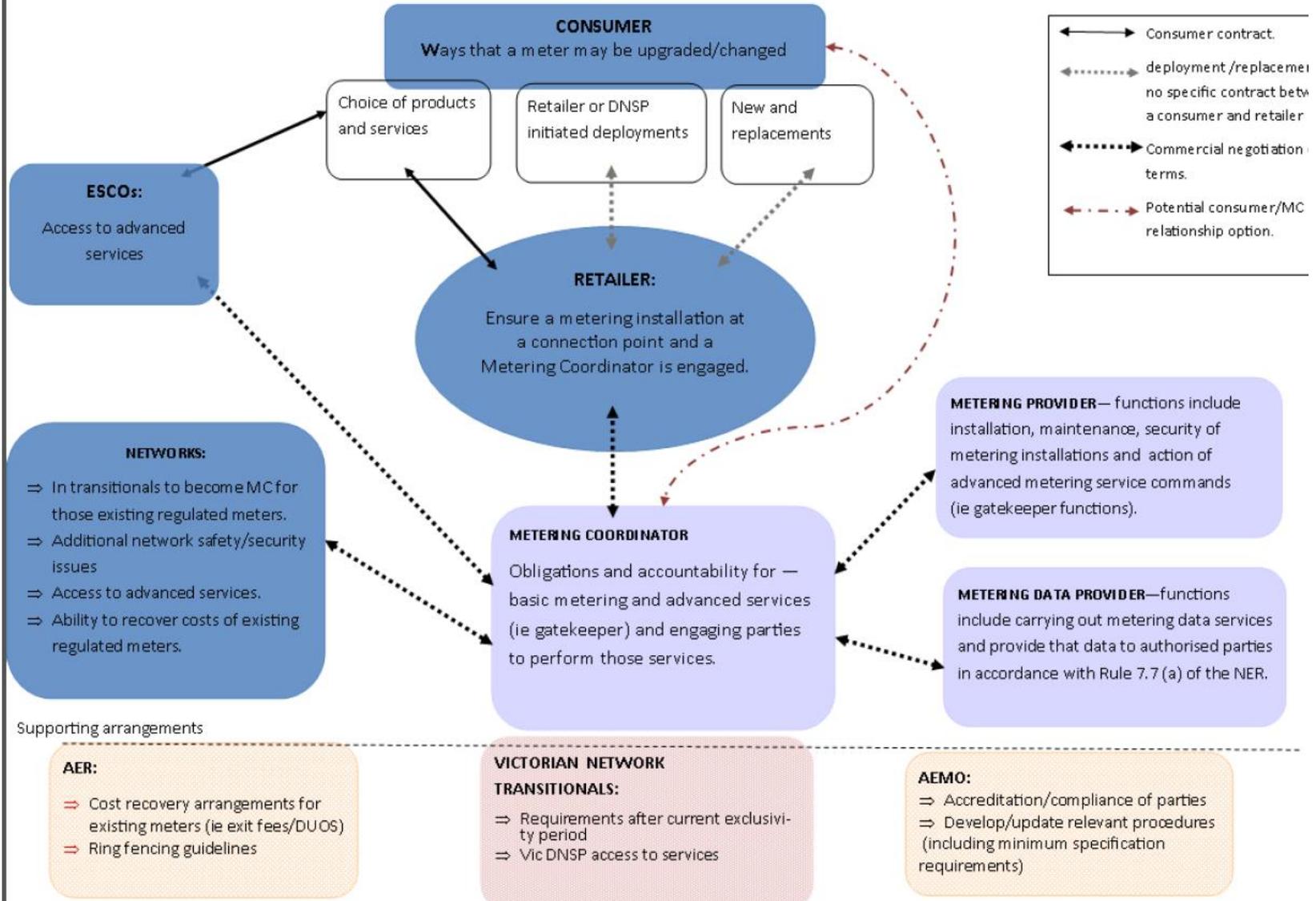
# There are seven meter types defined in the electricity rules of which four have consumer choice in provision.

Type	Description	Comment
1	Remotely read interval meter: Flows > 1,000 GWh per annum	Key difference is flow of electricity  Metering and Meter Data Provision are currently open to competition
2	Remotely read interval meter: Flows between 100 and 1,000 GWh per annum	
3	Remotely read interval meter: Flows between 750 MWh and 100 GWh per annum	
4	Remotely read interval meter: Flows < 750MWh per annum except type 5 and 6	
5	Manually read interval meters, load <750MWh per annum.	Focus of rule change
6	Accumulation meter	
7	Unmetered connection point	Not really a meter but an algorithm or estimate

## OVERVIEW OF RULE CHANGE



## Proposed model arrangements: basic and advanced services



Source: AEMC workshop presentation 24 September 2014

### Metering Coordinator

- Independent MC
- Open access
- Accreditation / enforcement
- Data access for billing / settlement
- Exclusivity for type 6 / 7 meters

### Relationships between parties

- Retailer – consumer
- Retailer – MC
- Consumer – MC

### Network regulatory arrangements

- Unbundling charges
- Exit fees – type 5 / 6
- Ring fencing

### Minimum functionality

- Governance
- Upgrade to existing specification
- Jurisdictional issues – new / replacement / reversion policies

### Transitional arrangements

- Victoria
- DB / RB arrangements for existing meters
- Procedures / guidelines

Source: AEMC workshop presentation 24 September 2014



## KEY ISSUES UNDER CONSIDERATION

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# Many key issues are still under consideration.

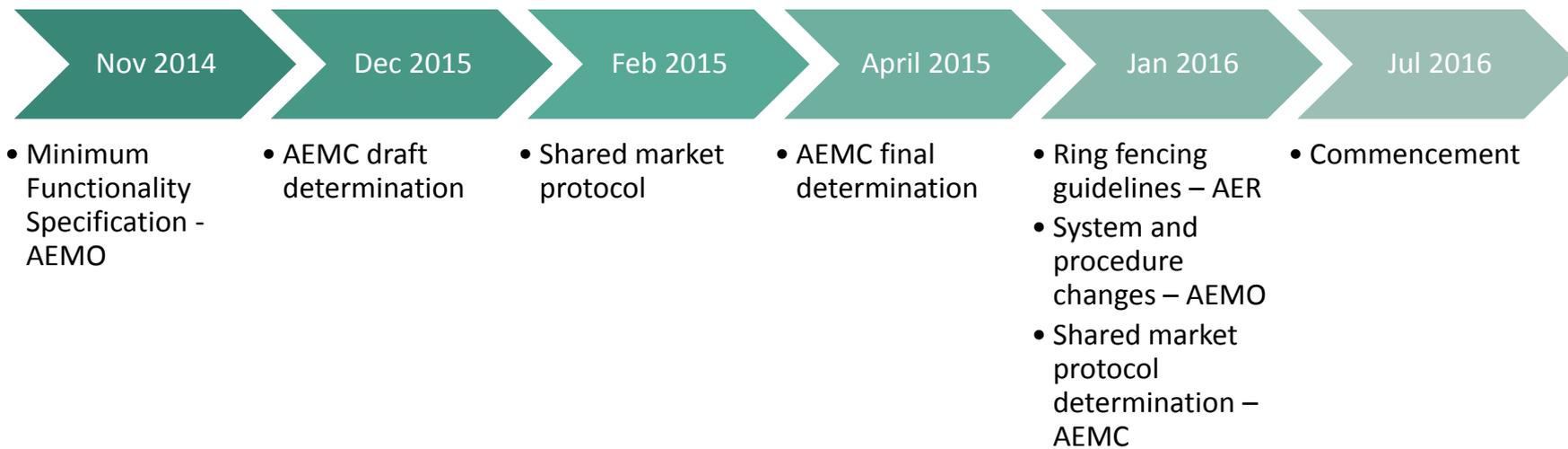
Issue	Comment
Minimum functionality	<ul style="list-style-type: none"><li>• WIP by AEMO</li><li>• Cognisant of current functions</li></ul>
New and replacement policies	<ul style="list-style-type: none"><li>• All new / replacement meters must meet minimum specifications</li><li>• No opt out for consumers</li></ul>
Retailer led deployment	<ul style="list-style-type: none"><li>• Retailers can lead deployment of new meters but need to give notice and detailed information prior to roll out.</li></ul>
Reversion policy	<ul style="list-style-type: none"><li>• No change – not really allowed to revert to a ‘dumber meter’ in particular below minimum specification.</li></ul>
Exclusivity	<ul style="list-style-type: none"><li>• None allowed</li></ul>
Exit fees	<ul style="list-style-type: none"><li>• Distributors can recover residual smart meter costs if consumers change meters post commencement – AER approved exit fee</li></ul>



## TIMETABLE FOR FINALISATION



# The target commencement date of July 2016 requires several prior decisions and actions.



## WATER SECTOR IMPLICATIONS



## Opportunities should exist for efficiencies in small site metering and data management.

- Consolidation of metering and data management with one provider provides efficiencies.
- Tailoring of services – e.g.
  - more frequent data provision / real time monitoring?
  - Alignment with retail offerings?
- Improved quality and timeliness of data?
- Remove need for sub-meters or combined offering with sub-meters?
- Exit fee considerations with payout for existing smart meters.
- Opportunities to leverage new relationships and technologies to investigate smart water meters.



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