



ACTIVESTREAM

2 July 2015

**Ms Anne Pearson
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235**

Lodged online: www.aemc.com.au

Dear Ms Pearson,

RE: Consultation Paper - National Electricity Amendment (Meter Replacement Processes) Rule 2015 (Reference: ERC0182)

Active Stream Pty Ltd (**Active Stream**) welcomes the opportunity to provide a submission to the Australian Energy Market Commission (**AEMC**) in response to its Consultation Paper on the National Electricity Amendment (Meter Replacement Processes) Rule 2015 (the **Consultation Paper**).

Active Stream is an accredited Meter Provider and Meter Data Provider, which provides digital metering devices and data services to energy retailers, distributors, and other businesses in the National Electricity Market. 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 overall intent of this rule change particularly the objective that the National Electricity Rules (NER; Rules) requires further clarity with respect to when meter churn can be undertaken at a connection point. We do not however, support the creation of new prospective roles, proposed by ERM Power (as proponent of the rule change request). In our view, the existing procedures¹ and market interactions work effectively. It is therefore unnecessary to introduce additional roles and potential complexity into the churn process.

In addition, although Active Stream considers that the Australian Energy Market Operator's amended procedures², will eliminate some existing procedural inefficiencies such as reducing the quantity of meter data required to be manually processed by an incumbent (i.e. outgoing) Meter Data Provider³ where churn has occurred, overall we believe it to be restrictive and will result in adverse (though avoidable) outcomes in the market.

¹ Including the Meter Churn, Service Providers and Service Level procedures.

² Amended Meter Churn Procedures due to come into force in September 2015.

³ By reducing the number of possible days that an incumbent MDP holds responsibility for the manual processing and market delivery of meter data from 20 business days to at most 1 business day. This occurs where under the current procedure, the metering installation can be replaced by the incoming FRMP up to 20 business days from the retail transfer completion date. Where the metering installation has been changed, the incoming MDP is required to supply meter data to the incumbent MDP.

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In particular, we point out that as well as impacting on a retailer's ability to deliver products and services where the existing metering installation cannot deliver the level of functionality or technical accuracy required, the delay to meter replacements imposed by the amended procedures will unnecessarily increase the workload on Meter Providers and Meter Data Providers (Service Providers) to deliver efficient outcomes within limited delivery windows. Overall the resultant effect will significantly impact on competition and consumer choice. This would not align with the policy and regulatory intent of the Power of Choice Review, nor would it support the expansion of competition in metering services in the residential sector.

Active Stream believes that the AEMC is best placed to consider how best to revise the NER to enable the existing procedures to work without rule contravention. Although we suggest that the conflicting clauses in the NER should be corrected or removed, we also recommend that retailers should retain the ability to commence a retail transfer, and, as incoming financially responsible Market Participant (FRMP), appoint its Responsible Person and Service Providers for a connection point. Where the incoming FRMP seeks to undertake a meter replacement before or on retail transfer completion, its appointed Service Providers should assume full responsibilities on the date at which the connection point is energised.

From our perspective this process would:

- deliver certainty and clarity on roles and responsibilities at a connection point;
- eliminate the need for incoming RP's to enter into transitional contracts with the incumbent Service Providers;
- enables meter replacement (to avoid non-compliance with accuracy requirements or to increase functionality to support retail offerings) to occur at acceptable times ahead of the retail transfer process finalising;
- remove the ongoing obligations and operational inefficiencies imposed on incumbent Service Providers;
- increase customer choice and experiences, reducing further meter churn; and
- ensure compatibility and workability once metering competition is introduced to the market.

Lastly, although this rule change was commenced post the start of the metering competition rule, Active Stream strongly believes that implementation of these rules should be introduced at the same time to minimise impacts to industry and market systems and operations.

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

Yours sincerely,

Jason Clark
General Manager

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