

Submissions delivered electronically to AERexemptions@aer.gov.au

Rowena Park
General Manager – Compliance and Enforcement Branch
Australian Energy Regulator
GPO Box 3130
Canberra ACT 2601

AER reference: #12,592,452

30 November 2022

Network Exemptions Guideline (Version 7) – Draft Report

To Rowena,

Thank you for providing stakeholders the opportunity to review and provide feedback to the Network Exemptions Guideline (Version 7) – Draft Report. As a service provider within the embedded network sector at the outset, we have seen the industry grow and regulations rapidly evolve to ensure consumer protection and fairness remain at the forefront.

Firstly, we would like to acknowledge the effort that AER has placed in revising the Network Exemptions Guideline. We feel the draft report has achieved its objectives to deliver a more user-friendly document whilst removing many of the ambiguities found in the previous version. Energy Intelligence would make the following specific comments on the draft report.

Glossary (page 1)

We feel that it would be beneficial to include the definition of *on-market* and *off-market* to the Glossary as these terms are frequently used. We note that on-market term is defined in some of the footers; page 56, 58 and off-market on page 57.

Metering

We agree with the removal of conditions already covered by the NER however there are two references in the previous Network Exemption Guideline that would be beneficial to be carried through to Version 7 due to its simplicity and weight in legacy embedded networks if they are still applicable.

Competition in metering

The previous version of the Network Exemption Guideline included a clear condition where works that *involves the replacement of more than 50% of the then active metering installations, are required to comply with Chapter 7; New or replacement metering installation.*

Chapter 7; Metering of the NER covers this as a singular requirement, see snippet boxed below.

NER 7.8.2A New or replacement metering installations

The *Metering Coordinator* at a *connection point* must ensure that all new or replacement *metering installations* are capable of recording and providing, and configured to record and provide, *trading interval energy data*.

7.8.3 Small customer metering installations

(a) Except as specified in clause 7.8.4, a *Metering Coordinator* must ensure that any new or replacement *metering installation* in respect of the *connection point* of a *small customer* is a *type 4 metering installation* that meets the *minimum services specification*.

Jurisdictional requirements again do not refer to embedded network coverage ie. VSIR rules for replacement refers to meter boards only.

Meter Upgrades

The table summarising who is responsible in Metering Upgrades in legacy Embedded Networks are straightforward and again, is not clearly defined in the NER.

Situation	Who pays?
Metering installation existed before 1 January 2012, and has not been changed since	Customer/Customer's retailer
Metering installation installed after 1 January 2012 and was compliant at the time of installation	Customer/Customer's retailer
Customer/customer's retailer or other person provides a replacement metering installation of their own volition and cost.	Customer/Customer's retailer
Any other situation where metering installation does not conform with NEM metering standards (see condition 4.2.2.5).	Exempt Network Operator
Customer has no metering installation in non-compliance with the requirements of this Guideline	Exempt Network Operator

Embedded Network Manager (page 59)

As EENSPs may reverse an appointment when ENM conditions are no longer required, we are concerned that information pertaining to the embedded network configuration may be poorly maintained and inaccurate.

Chapter 7; Metering of the NER specifies the following.

NER 7.5A.2 EN Information

An *Embedded Network Manager* must:

A) maintain information about the types and configuration of *metering installations* at the parent connection point and all *child connection points* on the *Embedded Network Manager's embedded network* and about the subtractive or other arrangements used in respect of those *metering installations* relevant to settlements;

As a general requirement, it would be best practice and crucial for an EENSP to maintain an up-to-date electrical configuration as part of their general conditions so that in the event of a faults, disassembling of an embedded network, or when the ENM conditions are triggered, the EENSP would be able to provide this information readily. We see this as part of the first of the four basic requirements for exempt networks; *ensure that their network is safe*.

An EENSP will also have less challenges meeting the 30 business day requirement to appoint an ENM if this information is managed. Our experience is that many aged, embedded networks that may have undergone staged extensions, renovations or sales have neglected the upkeep of electrical documentation.

Disconnection and reconnection (page 59)

We would like to mention that from time to time, an on-market retailer (upon satisfying NERR requirements) may request an EENSP to perform disconnection. Only where the NERR requirements and Network Exemption Guideline conditions are satisfied, the EENSP should be able to perform these functions.

Summary

We thank the AER for consulting with stakeholders on these matters and hope that this submission is of assistance in your considerations.

If you have any further queries or would like to discuss our submission in greater detail, please feel free to contact myself or Mussan. Energy Intelligence would be available to assist in providing any supporting data and insights in an embedded network aspect.

About Energy Intelligence

Energy Intelligence is an energy consultancy providing advisory services to clients within the embedded sector. We offer complete embedded network solutions specifically designed for our clients who own embedded sites often supplied by traditional and renewable-based generation across the states.

Our compliance principle is to pursue best practice regardless of the minimum requirements of the jurisdiction and is evident in the embedded networks we manage.

Yours sincerely,



Mardi Trezise
Managing Director



Mussan Larnach
Compliance Manager

