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Dear Tom

RE: Consultation on AER approach to electricity network service provider exemptions

Thank you for the opportunity to provide comments on the second round of Consultation on the AER approach to electricity network service provider exemptions.

1. Issue 1: Metering Accuracy

In the paper, chapter 7 covers the topic "Metering Accuracy".

It states that "Meters used within private networks must be pattern approved, consistent with the requirements of the National Measurement Act, in accordance with the equivalent requirements for NEM electricity meters and to accuracy classes as stipulated in schedule 7.2 of the NER, unless otherwise exempted by the National Measurement Institute."

This chapter implies that the National Measurement Institute (NMI) can exempt a participant from complying with the National Electricity Rules. While we do understand that the NMI can issue an exemption from Pattern Approval, our understanding is that enforcement of the NER lies with the Australian Energy Regulator (AER) and that they are the only body that have a head of power to issue exemptions from compliance with the NER.

2. Issue 2: Guideline

Chapter 8 (1) refers to a Guideline published by AEMO applicable to a Private Network. We would like to point out that while there is currently a published Guideline, this document is not complete and contains a request for feedback. The nature of this current Guideline is to provide relevant explanatory material in relation to the configuration and use of MSATS in relation to the operation of Private Networks. The draft Guideline describes a desired position that has not yet been achieved. This current work on the Network Exemption process will hopefully allow for this Guideline to be completed. We feel that a note/footnote relating to the Guideline explaining this position would be appropriate.

3. Issue 3: Use of qualified service providers

The paper states that in a case where in a private network in jurisdictions where customers of private networks have access to full retail competition and where a customer has elected to obtain supply from a NEM registered retailer, "A private network operator may be required to appoint an accredited metering service provider or other registered NEM participant, as appropriate, to act as its agent for the provision, installation, registration and maintenance of

the metering installation". In the NER, and consequently in the Metrology Procedure, this obligation to provide, install and maintain a metering installation in the NEM lies with the Responsible Person (RP), and not with the private network operator.

Yours sincerely

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