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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 Consultation on AER approach to electricity network service provider exemptions.

Question	AEMO Response
Q1: Do stakeholders support the AER's decision to align the classes of exemption in the network Guideline with the Exempt Selling Guideline?	AEMO supports this decision.
Q2: Are the classes of exemption clear and easily interpreted?	Yes.
Q3: Are there any other network situations that stakeholders consider would warrant a separate exemption category?	No.
Q4: Do stakeholders agree that the general conditions are appropriate for exempt networks?	AEMO agrees that the general conditions in 6.2 are appropriate for exempt networks, as long as they are (1) maintained to be consistent with the NEM metrology framework described in Rules (NER) and Procedures established under the Rules; and (2) specified in the definition or required arrangements.
Q5: Do stakeholders consider any further conditions be included in the general conditions for exempt networks?	AEMO believes that the conditions are adequate.
Q6: Do stakeholders consider the criteria for revocation are appropriate for exempt	The guideline should include guidance on how the customers would be treated after

networks?	revocation, and who responsibility for them would transfer to.
Q7: Do stakeholders consider the proposed process fair and reasonable?	No comment
Q8: The AER considers common standards for the accuracy of metering will benefit consumers. Do stakeholders agree with this approach?	AEMO supports this approach to metering for children in exempt networks.
Q9: The AER considers that electricity should not be treated differently to any other service or product with regard to metering. Do stakeholders agree with this approach?	AEMO supports this common approach.
Q10: The observance of safety standards is essential for consumers to have confidence in exempt networks. Do stakeholders consider the AER's condition will achieve this objective?	AEMO agrees with the principle, but believes that the guideline needs to contain more details relating to identifying appropriate safety standards, monitoring of safety, and consequences if an unsafe installation is found.
Q11: As regulatory gaps can arise when related activities are authorised under different legislation the AER considers that this cross-over condition will minimise the prospect of a gap arising in the retail onselling framework. Do stakeholders consider the AER's condition will be sufficient for this purpose?	AEMO supports these conditions on on-selling.
Q12: Do stakeholders have any suggestions which would improve this condition?	No comment.
Q13: Do stakeholders consider aggregation should be permitted in exempt networks? If so, why? Or why not?	Clarification required for what is meant by the concept of aggregation of energy for "multiple exempt premises within a jurisdiction".
Q14: Do stakeholders consider the proposed registration arrangements are clear and the information requirements to be sufficient?	AEMO agrees that an exemption should not be transferrable to another party, but believes that the drafting in the Guideline is ambiguous.
Q15: Do stakeholders agree with the AER's metering conditions for exempt networks?	AEMO supports the AERs principle that metering should be consistent with NEM requirements, but believes the drafting in the Guideline related to metering requirements for reconfiguration of existing

	<p>exempt networks is ambiguous. Is the intention for metering in the reconfigured section only of the exiting exempt network to comply with current NEM metering requirements or is this considered the trigger to upgrade all metering within the exempt network?</p>
<p>Q16: Do stakeholders consider the conditions that are applicable to energy generation appropriate?</p>	<p>Off market and on marketing energy generation for children within the embedded network needs to be metered in accordance with chapter 7 of the NER, i.e. a bi-directional meter in accordance with NER clauses 7.3.1(a) (7) and 7.3.1 (i) and be an interval meter where the generation/child customer wishes to be second tier in accordance with the NEM Metrology Procedure.</p> <p>The guideline could provide the relevant provisions in the NER and the National Metrology Procedure which need to be adhered to for any generation. This would assist with clarity for an exempt NSP.</p>
<p>Q17: Do stakeholders have any comments on electric vehicles or electric charging stations, and the conditions to be applied to them?</p>	<p>AER's proposed approach appears satisfactory for EV installations where there is a single retailer involved for light and power, and EV charging. A separate framework would be required where there are different retailers for light and power, and EV charging. This would introduce many complexities relating to identification of the Responsible Person and service provision.</p> <p>The AER should also consider the situation and consequential metrology and electrical safety etc arrangements where the EV's battery may generate supply back to the NSP.</p>
<p>Q18: Do stakeholders consider the AER's approach to the application of distribution loss factors to exempt networks to be appropriate?</p>	<p>AEMO supports the principle of having a more rigorous approach to loss factors in embedded networks.</p>
<p>Q19: Do stakeholders have any comments in relation to the AER's approach to external and internal network charges?</p>	<p>No comment.</p>

Q20: Do stakeholders have any comments in relation to the AER's approach to Charge Groups outlined in the network Guideline?	No comment.
Q21: Should any other charge groups be permitted by the AER? If so, why?	No comment.
Q22: Do stakeholders have any comments in relation to the requirements for registration or application for an individual exemption.	No comment.
Q23: Are there any other matters the AER has not considered in this draft network Guideline which stakeholders believe should be addressed?	No comment.

Yours sincerely

Roy Kaplan
Manager Metrology Regulation