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Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

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## **Submission on the AEMC's Draft Rule Determination on Updating the Electricity B2B Framework**

### **Introduction**

1. This is Vector Limited's (Vector)<sup>1</sup> submission on the Australian Energy Market Commission's (AEMC) *Draft Rule Determination – National Electricity Amendment (Updating the electricity B2B framework) Rule 2016*, dated 7 April 2016.
2. In January 2016, our metering business (Vector Advanced Metering Services - VAMS) was accredited by the Australian Energy Market Operator to operate as a Metering Provider and Metering Data Provider in the National Electricity Market (NEM). We have started installing advanced meters in NSW.
3. We generally support the AEMC's "more preferable draft rule" on updating the B2B framework (the *Draft Rule*). In our view, the *Draft Rule* sufficiently accommodates new metering service providers into the B2B framework, enabling the timely deployment of advanced meters in the NEM. It also provides flexibility for B2B participants to use alternative means of communication, promoting innovation that benefits consumers.
4. We set out below our comments on specific aspects of the *Draft Rule*.

### **Information Exchange Committee**

5. Vector supports the expansion of the Information Exchange Committee (IEC) to include representatives from providers of metering services and other new and emerging services.
6. We agree with the AEMC that the current IEC should be dissolved upon commencement of the *Draft Rule*, after which the new IEC will recommend changes to B2B procedures that are consistent with the *Draft Rule*. Having two IECs operating

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<sup>1</sup> For more information on Vector, see [www.vector.co.nz](http://www.vector.co.nz) and <http://vectorams.com.au/>.

in parallel would only create confusion and additional costs for current and incoming B2B participants.

### **Ability to use alternative forms of communication**

11. We support the AEMC's draft decision allowing B2B participants to use alternative forms of communication where the relevant parties agree to do so.
12. In addition, we support the retention of the B2B e-hub's capability to support a free-form method of communication. This implies that the commencement of competitive metering arrangements will not be held up by the establishment of particular forms of communication (a process that takes time), and can proceed on 1 December 2017.
13. In our view, the above draft decisions are consistent with the market-led approach of the ongoing *Power of Choice* reforms in the NEM and the light-handed arrangements for the emerging competitive metering market. Importantly, these decisions enable alternative and more customised solutions to be developed, promoting innovation in the market.

### **Accreditation**

14. We welcome the AEMC's draft decision not to impose certification requirements on potential B2B e-hub participants, in addition to accreditation requirements. Onerous requirements could reduce the incentives for parties to use the B2B e-hub, i.e. incentivise them to seek alternative forms of communication.

### **Implementation**

15. We reiterate our view that any proposed changes to B2B governance and procedures should not be a pre-requisite for the commencement of competitive metering arrangements.
16. We share the view of many stakeholders that the timeframes associated with aligning the commencement of the updated B2B framework with the commencement of competitive metering arrangements are tight. We agree with the AEMC's suggested option (on page 94 of the *Draft Rule Determination*) that during the transition period for the *Draft Rule*:

...the IEC may decide to not require certain new B2B communications to be made through the B2B e-hub. Instead, new communications could be made by other means for an interim period from 1 December 2017. This arrangement could remain in place until further changes to B2B procedures and new IT are developed at a later date.

17. The above option would ensure that the commencement of competitive metering arrangements will not be delayed a second time. Any further (and potentially more substantial) changes could be developed at a later date.

**Concluding comments**

18. Please contact me if you have any questions or require further information at +644 803 9051 or [Luz.Rose@vector.co.nz](mailto:Luz.Rose@vector.co.nz).
19. No part of this submission is confidential and we are happy for it to be made publicly available.

Yours sincerely  
For and on behalf of Vector Limited

A handwritten signature in black ink, appearing to read 'Luz Rose', with a long horizontal stroke extending to the right.

Luz Rose  
**Senior Regulatory Specialist**