



Economic Regulation Authority

Peel Renewable Energy proposed model service level agreement and metrology procedure

Decision

4 April 2022

Economic Regulation Authority

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1. Decision

On 23 November 2021, Peel Renewable Energy (PRE) submitted a proposed model service level agreement and metrology procedure to the Economic Regulation Authority for approval. The application was made under clause 6.2 of the *Electricity Industry (Metering) Code 2012*.

PRE is the licenced distribution network service provider for the Peel Business Park Microgrid, located at Nambeelup, south of Perth.

The model service level agreement details the metering services that a network operator provides and the terms and conditions, including applicable charges. The metrology procedure provides guidance on the provision, installation and maintenance of metering equipment connected to the network.

Prior to submitting the proposed documents to the ERA, PRE undertook stakeholder consultation as required under clause 6.11(2). To ensure all Code participants were provided with an opportunity to comment, the ERA published the proposed documents for consultation on its website on 26 November 2021. No submissions were received.

The ERA must not approve a proposed document unless it is satisfied that the document meets the relevant requirements in the Code.

The ERA found that the proposed documents did not fully comply with the requirements of the Code and notified PRE accordingly on 28 February 2022 as required under clause 6.13(1)(b) of the Code.

In response, PRE submitted an amended model service level agreement and metrology procedure under clause 6.16(1) of the Code on 4 March 2022.

The ERA is satisfied that the amended documents are compliant with the requirements of the Code. Accordingly, the ERA has decided to approve the amended proposed model service level agreement and metrology procedure.

The reasons for the ERA's decision are set out below.

2. Reasons

PRE's proposed metering documents submission consisted of a:

- model service level agreement
- metrology procedure
- registration process for metering installation providers
- report on development and consultation process.

PRE subsequently advised that it did not require the registration process for metering installation providers to be approved and withdrew that part of its application.

2.1 Consultation process and report on development and consultation process

Under clause 6.11(4) of the Code, the ERA must not approve a proposed model service level agreement or metrology procedure unless it is satisfied that PRE has complied with clauses 6.11(2) and 6.11(3).

These clauses require PRE to do the following:

- Provide Code participants with an opportunity to make submissions on the proposed metrology procedure; and where submissions are made, take these submissions into account.
- Provide a report to the ERA that:
 - Identifies the process through which the proposed metrology procedure was developed, including the consultation undertaken.
 - Describes how the proposed metrology procedure complies with the approval criteria set out in the Code.
 - Describes how PRE took into account any submissions made to it.
 - Includes copies of any submissions received.

PRE identified a list of code participants "with a conceivable interest in the microgrid" and emailed each a copy of the proposed model service level agreement and metrology procedure on 7 September 2021.

The Code requires PRE to give Code participants a reasonable opportunity to make submissions on the proposed metering documents. The Code defines Code participants to include a network operator, retailer, generator, metering data agent, user, the Australian Energy Market Operator and the ERA. As PRE had undertaken a targeted consultation, the ERA published PRE's proposal on its website for consultation on 26 November 2021 to ensure that all Code participants had a reasonable opportunity to make submissions. No further submissions were made to the ERA.

The ERA considers the consultation requirements of clause 6.11(2) of the Code have been satisfied. That is:

- Taking into account the ERA's further opportunity for public consultation, Code participants have had a reasonable opportunity to make submissions on PRE's proposed model service level agreement and metrology procedure.

- No issues were raised in submissions.

PRE's report on the development and consultation process satisfied the reporting requirements of clause 6.11(3) of the Code as it:

- Identified the process through which the proposed model service level agreement and metrology procedure were developed including the consultation undertaken.
- Described how the proposed model service level agreement and metrology procedure complied with the requirements of the Code.
- Included a copy of the submission received.

2.2 Specific approval criteria

In addition to meeting the consultation and reporting requirements, the ERA must not approve a proposed document unless it is satisfied that the document meets the criteria set out in clauses 6.5 to 6.9 (as applicable).

Clause 6.5 sets out general requirements that apply to all metering documents.

6.5 Requirements for all documents

A *document* must:

- (a) comply with this *Code*; and
- (b) not impose inappropriate barriers to entry to a market; and
- (c) be consistent with *good electricity industry practice*; and
- (d) be reasonable; and
- (e) be consistent with the *Code objectives*; and
- (f) be consistent with the *market rules*; and
- (g) unless this *Code* requires otherwise, be consistent with other enactments.

The general and specific requirements for each document are considered below.

2.3 Model service level agreement

Specific requirements for the model service level agreement are included in clause 6.6 of the Code:

6.6 Requirements for model service level agreement

- (1) A model service level agreement must at least:
 - (a) specify the *metering services* that the *network operator*:
 - (i) must provide (which must include at least all the *metering services* that this *Code*, the *Code of Conduct* and the *Customer Transfer Code* require the *network operator* to provide); and
 - (ii) may provide, to other *Code participants* on request,
 - and
 - (b) for each *metering service* referred to in clause 6.6(1)(a), specify:
 - (i) detailed description of the *metering service*; and
 - (ii) a timeframe, and where appropriate other service levels, for the performance of the *metering service*,
 - and
 - (c) subject to clause 5.21(9), specify the maximum *charges* that the *network operator* may impose for each *metering service* referred to in clause 6.6(1)(a); and
 - (d) if any of the *charges* specified under clause 6.6(1)(c) is variable, provide details of the methodology and cost components that will be used to calculate the variable *charge* including (where applicable) hourly labour rates, distance-related costs and equipment usage costs; and
 - (e) provide that the *charges* which may be imposed under a *service level agreement* may not exceed the costs that would be incurred by a *network operator* acting in good faith and in accordance with *good electricity industry practice*, seeking to achieve the lowest sustainable costs of providing the relevant *metering service*; and
 - (f) require the *network operator* to *publish*, annually, a list setting out for each metering point on the network either:
 - (i) each date for a *scheduled meter reading* in the coming year;
 - or
 - (ii) the *reading day number* to apply for the current year,
 - and specify the procedures by which, and frequency with which, this list may be revised;
 - and
 - (g) specify the procedures for a *Code participant* to make a request for *metering services* (“**metering service order**”) and the procedures for dealing with a *metering service order*.

The ERA assessed the proposed model service level against the requirements of clause 6.5 and 6.6 and identified the following areas that were not compliant with the Code requirements or contained errors:

- The ability for users to request cancellation of services and specify a preferred time and date for the service had not been included.
- The ability for users to request a change to the meter reading schedule had not been included.
- A reference to pre-payment meters was included in error and must be removed.
- Inconsistencies between schedule 1 and schedule 2 in relation to the “standard” or “extended” classification must be corrected.

- The timeframes for delivery of services must be definitive.
- The “KPI” for energy data provision accuracy should be relabelled “% accuracy” to more clearly reflect what the key performance indicator is.
- Inconsistencies in timeframes stated in schedule 2 and 3 should be reconciled.
- Some of the de-energise/re-energise and meter reading timeframes appeared inconsistent with obligations under the Metering Code and Small Use Customer Code.
- A charge had been included for the provision of standing data. This is inconsistent with clause 5.5(2A)(a) of the Code that prohibits network operators from charging for the provision of standing data.
- Some of the services will be priced on application. Section 6.6(1)(d) of the Metering Code requires inclusion of the method and cost components that will be used to calculate a variable charge including (where applicable) hourly labour rates, distance-related costs and equipment usage costs.
- The proposed model service level agreement defined “dispute” differently to the definition included in the Metering Code. It should be consistent with the definition in the Metering Code.

The amended model service level agreement submitted by PRE on 4 March 2022 satisfactorily addresses the matters identified by the ERA.

2.4 Metrology procedure

Specific requirements for the metrology procedure are included in clause 6.8 of the Code.

6.8 Requirements for a metrology procedure

A *metrology procedure* must at least:

- (a) as a minimum, contain information on the *devices* and *methods* that are used by the *network operator* to:
 - (i) measure, or determine by means other than a *device*, *electricity* produced and consumed at a *metering point*; and
 - (ii) convey the measured or determined information to other *devices* using *communication links*; and
 - (iii) prepare the information using *devices* or *methods* to form *energy data*; and
 - (iv) provide access to the *energy data* from a telecommunications network; and
- (b) specify the minimum requirements for *meters* and *metering installations*, including:
 - (i) accumulation meters; and
 - (ii) interfaces that allow *interval energy data* to be downloaded; and
 - (iii) direct connected *meters* for *Type 4* to *Type 6 metering installations*; and
 - (iv) *CTs* and *VTs*; and
 - (v) programmable settings under clause 3.10.
- (c) specify the procedures for *estimating*, *substituting* and *validating energy data* under this *Code*; and

- (ca) provide for the sampling and testing of *meters* for the purposes of and in accordance with clause 3.11A(1); and
- (d) not used
- (e) specify the date from which the *metrology procedure* takes effect which must be no less than 3 months after it is *published*.

The ERA assessed the proposed model service level against the requirements of clause 6.5 and 6.8 and identified the following areas that were not compliant with the Code requirements or contained errors:

- “Trading interval” – the definition has been removed from the Metering Code so clause 2.3 of the proposed metrology procedure required amendment.
- “Validation” and “Verification” definitions should be consistent with the Metering Code definition
- Clause 2.1 of the proposed metrology procedure stated that PRE will only design and install Type 4 Metering Installations unless otherwise agreed pursuant to a service level agreement. However, Type 4 can only be used up to certain limits. An amendment was required to make clear that metering installations will at least meet the requirements for metering installations in Table 3A Appendix 1 of the Code.
- The drafting of the procedures for meter readings, data collection and storage and transfer of energy data required clarification.

The amended model service level agreement submitted by PRE on 4 March 2022 satisfactorily addresses the matters identified by the ERA.

Appendix 1 Extract of relevant Code requirements

The establishment and approval procedure for metering documents, including a model service level agreement and metrology procedure is outlined in Part 6 of the Code.

Clause 6.2 of the Code requires a network operator to establish metering documents and have these documents approved by the ERA. The documents include:

- A model service level agreement that sets out the metering services that the network operator provides and the terms and conditions it offers, including applicable charges. The model service level agreement automatically applies to metering services if a user does not have its own agreement with the network operator.
- A metrology procedure that provides guidance on the provision, installation and maintenance of metering equipment connected to the network.

Clause 6.11 of the Code requires the network operator to undertake consultation prior to submitting a proposed document to the ERA for approval.

6.11 Consultation with Code participants

- (1) ...
- (2) Before submitting a proposed document to the Authority under clause 6.2 or publishing proposed communication rules under clause 6.19A, a network operator must:
 - (a) give Code participants a reasonable opportunity to make submissions to the network operator concerning the proposed document; and
 - (b) take into account any submissions received from Code participants in developing the proposed document.
- (3) Before submitting a proposed document to the Authority under clause 6.2 or publishing proposed communication rules under clause 6.19A, a network operator must provide a report to the Authority that:
 - (a) identifies the process through which the proposed document was developed, including details of consultation with Code participants under this clause 6.11; and
 - (b) describes how the proposed document complies with the criteria set out in clauses 6.5 to 6.9 (as applicable); and
 - (c) describes how the network operator took into account any submissions received from Code participants; and
 - (d) includes copies of submissions received by the network operator from Code participants.
- (3A) The network operator must publish the report it provides to the Authority under clause 6.11(3).
- (4) The Authority must not approve a proposed document under clause 6.2 unless the Authority is satisfied that the network operator has complied with clauses 6.11(2) and 6.11(3).

Under clause 6.14 of the Code, the ERA must not approve a proposed metering document unless it is satisfied that the document meets the criteria set out in clauses 6.5 to 6.9 (as applicable) of the Code.

Clauses 6.5 of the Code sets out the requirements that apply for all documents required under the Metering Code:

6.5 Requirements for all documents

A *document* must:

- (h) comply with this *Code*; and
- (i) not impose inappropriate barriers to entry to a market; and
- (j) be consistent with *good electricity industry practice*; and
- (k) be reasonable; and
- (l) be consistent with the *Code objectives*; and
- (m) be consistent with the *market rules*; and
- (n) unless this *Code* requires otherwise, be consistent with other enactments.

The Code objectives are set out in clause 2.1 of the Code:

2.1 Code Objectives

- (1) The *Code objectives* are to:
 - (a) promote the provision of accurate metering of electricity production and consumption;
 - (b) promote access to and confidence in *data* of parties to commercial *electricity* transactions;
 - (c) facilitate the operation of Part 8 and Part 9 of the Act, the *Customer Transfer Code* and the *Code of Conduct*.
- (2) *Code participants* must have regard to the *Code objectives* when performing an obligation under this *Code*, whether or not the provision under which they are performing refers expressly to the *Code objectives*.

Specific requirements for the model service level agreement are included in clause 6.6:

6.6 Requirements for model service level agreement

- (1) A *model service level agreement* must at least:
 - (a) specify the *metering services* that the *network operator*:
 - (i) must provide (which must include at least all the *metering services* that this *Code*, the *Code of Conduct* and the *Customer Transfer Code* require the *network operator* to provide); and
 - (ii) may provide, to other *Code participants* on request,
 - and
 - (b) for each *metering service* referred to in clause 6.6(1)(a), specify:
 - (i) detailed description of the *metering service*; and
 - (ii) a timeframe, and where appropriate other service levels, for the performance of the *metering service*,
 - and
 - (c) subject to clause 5.21(9), specify the maximum *charges* that the *network operator* may impose for each *metering service* referred to in clause 6.6(1)(a); and
 - (d) if any of the *charges* specified under clause 6.6(1)(c) is variable, provide details of the methodology and cost components that will be used to calculate the

- variable *charge* including (where applicable) hourly labour rates, distance-related costs and equipment usage costs; and
- (e) provide that the *charges* which may be imposed under a *service level agreement* may not exceed the costs that would be incurred by a *network operator* acting in good faith and in accordance with *good electricity industry practice*, seeking to achieve the lowest sustainable costs of providing the relevant *metering service*; and
 - (f) require the *network operator* to *publish*, annually, a list setting out for each metering point on the network either:
 - (i) each date for a *scheduled meter reading* in the coming year;
 - or
 - (ii) the *reading day number* to apply for the current year,
 and specify the procedures by which, and frequency with which, this list may be revised;

and
 - (o) specify the procedures for a *Code participant* to make a request for *metering services* ("**metering service order**") and the procedures for dealing with a *metering service order*.

Specific requirements for the metrology procedure are included in clause 6.8:

6.8 Requirements for a metrology procedure

A *metrology procedure* must at least:

- (b) as a minimum, contain information on the *devices* and *methods* that are used by the *network operator* to:
 - (p) measure, or determine by means other than a *device*, *electricity* produced and consumed at a *metering point*: and
 - (ii) convey the measured or determined information to other *devices* using *communication links*; and
 - (iii) prepare the information using *devices* or *methods* to form *energy data*; and
 - (iv) provide access to the *energy data* from a telecommunications network;

and
 - (c) specify the minimum requirements for *meters* and *metering installations*, including:
 - (i) accumulation meters; and
 - (ii) interfaces that allow *interval energy data* to be downloaded; and
 - (iii) direct connected *meters* for *Type 4* to *Type 6 metering installations*; and
 - (iv) *CTs* and *VTs*; and
 - (v) programmable settings under clause 3.10.
 - (c) specify the procedures for *estimating*, *substituting* and *validating energy data* under this *Code*; and
 - (ca) provide for the sampling and testing of *meters* for the purposes of and in accordance with clause 3.11A(1); and
 - (d) not used

- (e) specify the date from which the *metrology procedure* takes effect which must be no less than 3 months after it is *published*.
- {Note: Without limiting clause 6.8, a network operator's metrology procedure must, at least:
- (a) specify the technical parameters for the provision, installation, operation and maintenance of *metering installations* under clause 3.5(1) which are consistent with this Code; and
 - (b) specify the methods for determining the accuracy of *estimated energy data* under clause 5.25(a); and
 - (c) specify test and audit procedures under clause 5.21; and
 - (d) not used
 - (e) specify the devices and methods to ensure the accuracy of data relating to each *metering point* by the application of appropriate *CT* or *VT* ratios and pulses in accordance with clause 5.25(b); and
 - (f) specify what the *network operator* must do to comply with clause 5.20(4); and
 - (g) specify the methods for comparing market generator *interval energy data* against *SCADA data* for the purposes of A2.6(2)(b).}

The approval process is set out in clause 6.13:

6.13 Authority may approve a document or specify amendments

- (1) If a *network operator* submits a proposed document (other than proposed *communication rules*) to the *Authority*, then the *Authority* must within 30 *business days* of submission:
 - (a) make a decision to either:
 - (i) approve the proposed *document*; or
 - (ii) not approve the proposed *document*; and
 - (b) notify the *network operator* in *writing* of:
 - (i) the *Authority's* decision; and
 - (ii) if the *Authority's* decision is not to approve the proposed *document* – the amendments (or nature of the amendments) which would have to be made to the proposed *document* in order for the *Authority* to approve it.

If the ERA does not approve the proposed documents, the network operator may submit an amended document.

6.16 Network operator may submit an amended document

- (1) A *network operator* may submit an amended proposed *document* (other than proposed *communication rules*) within 10 *business days* after the date of the *Authority's* advice under clause 6.13(1)(b)(ii), and, within 20 *business days* after the amended proposed *document* is submitted, the *Authority* must make a decision whether to approve or not approve the amended proposed *document* and notify the *network operator* of the decision.
- (2) If an amended proposed *document* submitted by a *network operator* under clause 6.16(1) contains the amendments advised by the *Authority* under clause 6.13(1)(b)(ii), then the *Authority* must approve the amended proposed *document* and notify the *network operator* in *writing* of its decision.