

Reference number(s)	<b>005 - Like-for-Like Replacements and Consultation</b>
Relevant clause(s)	Clause 10.34 – Installation and modification of metering installations Clause 19(2) of Schedule 10.7 – Modification of metering installations
Problem definition	<p>Clause 10.34 provides that if an MEP proposes to install or modify a metering installation at a point of connection (other than a point of connection to the grid), it must first consult with the distributor and the trader. The MEP, distributor, and trader must attempt to reach agreement on the design of the metering installation.</p> <p>Metering installations in existence as at 29 August 2013 are not required to have their design agreed. Clause 10.34 applies to:</p> <ul style="list-style-type: none"> <li>a) all new metering installations installed on and after that date</li> <li>b) all metering installations modified on and after that date.</li> </ul> <p>Some MEPs have replaced metering equipment with a like type, believing they were not required to consult with the distributor and trader before they did so, because the metering installation existed as at 29 August 2013.</p> <p>We do not believe clause 10.34 is sufficiently clear that:</p> <ul style="list-style-type: none"> <li>a) the consultation requirement applies when an MEP replaces an existing metering installation or metering component on a like-for-like basis</li> <li>b) even when the MEP has consulted with the distributor and trader for a like-for-like replacement,— <ul style="list-style-type: none"> <li>i) the certification for the metering installation may still be cancelled under clause 19 of Schedule 10.7; and if so</li> <li>ii) the metering installation must be recertified in order to comply with the Code</li> </ul> </li> <li>c) if the MEP has already consulted with a distributor and trader for a metering component or metering installation with a particular design and functionality (ie, a ‘standard design’), there is no requirement for the MEP to consult that distributor or trader again in respect of another metering component or metering installation that will use that standard design.</li> </ul>
Proposal	<p>We propose to amend the Code as follows:</p> <ul style="list-style-type: none"> <li>a) amend clause 10.34 to clarify that the clause covers like-for-like metering installation and component replacements as well as new installations and other changes to existing installations</li> <li>b) amend clause 10.34 and clause 19 of Schedule 10.7 to clarify that, even if an MEP consults on a modification, the certification of the metering installation may still be cancelled</li> <li>c) amend clause 10.34 to clarify that an MEP that consults with a distributor and trader for a metering component or metering installation with a particular design and functionality need not consult with that distributor or trader again for another metering component or metering installation that has the same design and</li> </ul>

	<p>functionality (ie, an MEP only needs to consult once with a trader and distributor over a “standard design” for metering installations).</p>
<p>Proposed Code amendment</p>	<p><b>10.34 Installation and modification of metering installations</b></p> <p>(1) This clause applies to a <b>metering equipment provider</b> that proposes to install or modify a <b>metering installation</b> at a <b>point of connection</b> other than a <b>point of connection</b> to the <b>grid</b>.</p> <p>(2) The <b>metering equipment provider</b> must consult with the <b>distributor</b> and the <b>trader</b> for the <b>point of connection</b> on the matters specified in subclause (2A), before—</p> <p>(a) finalising the design of a <b>metering installation</b> for the <b>point of connection</b>;</p> <p>(b) modifying the design of a <b>metering installation</b> installed at the <b>point of connection</b>;</p> <p>(c) <u>subject to subclause (2B), replacing a <b>metering component</b> or <b>metering installation</b> with a new <b>metering component</b> or new <b>metering installation</b>, even if the new <b>metering component</b> or <b>metering installation</b> has the same or similar design and functionality as the existing <b>metering component</b> or <b>metering installation</b>.</u></p> <p>(2A) The matters referred to in subclause (2) are the <b>metering component’s</b> or <b>metering installation’s</b>—</p> <p>(a) required functionality; and</p> <p>(b) terms of use; and</p> <p>(c) required interface format; and</p> <p>(d) integration of the ripple receiver and the <b>meter</b>; and</p> <p>(e) functionality for controllable load.</p> <p>(2B) <u>If a <b>metering equipment provider</b> replaces a <b>metering component</b> or <b>metering installation</b> with a new <b>metering component</b> or new <b>metering installation</b>, clause 19 of Schedule 10.7 applies despite the <b>metering equipment provider</b> having consulted with the <b>distributor</b> and the <b>trader</b> on the replacement.</u></p> <p>(2C) <u>Despite subclause (2), the <b>metering equipment provider</b> does not need to consult with—</u></p> <p>(a) <u>the <b>distributor</b>, if the <b>metering equipment provider</b> has already consulted with the <b>distributor</b> on the design of the <b>metering component</b> or <b>metering installation</b> or another <b>metering component</b> or <b>metering installation</b> with the same or similar design and functionality as the replacement <b>metering component</b> or <b>metering installation</b>;</u></p> <p>(b) <u>the <b>trader</b>, if the <b>metering equipment provider</b> has already consulted with the <b>trader</b> on the design of the <b>metering component</b> or <b>metering installation</b> or another <b>metering component</b> or <b>metering installation</b> with the same or similar design and functionality as the replacement <b>metering</b></u></p>

	<p style="text-align: center;"><b><u>component or metering installation:</u></b></p> <p>...</p> <p><b>Schedule 10.7</b></p> <p>...</p> <p><b>19 Modification of metering installations</b></p> <p>...</p> <p>(2) For the purposes of this <u>Part</u> clause, a modification of a <b>metering installation</b> includes, any 1 or more of the following:</p> <p>(a) any change to the <b>software</b>, ROM, or firmware in the <b>metering installation</b> that may affect the operation of the <b>metrology layer</b> unless the change is made under subclause (3):</p> <p>(b) replacement, installation, removal, repair, or modification, of a <b>metering component</b> in the <b>metering installation</b>, other than the temporary connection of testing or monitoring equipment by using a <b>test facility</b>:</p> <p style="padding-left: 20px;"><u>(ba) replacing a <b>metering installation</b> with a new <b>metering installation</b>:</u></p> <p>(c) any change to the burdening of a <b>measuring transformer</b> in the <b>metering installation</b>, unless changed under clause 31(6):</p> <p>(2C) The replacement of a <b>metering component</b> or a <b>metering installation</b> is a modification of a <b>metering installation</b> under sub-clause (2) even if:</p> <p>(a) the replacement <b>metering component</b> or <b>metering installation</b> has the same or similar design and functionality as the existing <b>metering component</b> or a <b>metering installation</b>; or</p> <p>(b) the <b>metering equipment provider</b> complied with clause 10.34(2C).</p> <p>...</p>
<p><b>Assessment of proposed Code amendment against section 32(1) of the Act</b></p>	<p>The proposed Code amendment is consistent with the Authority's objective, and section 32(1)(c) of the Act, because it would contribute to the efficient operation of the electricity industry.</p> <p>It would do this by making it easier for MEPs to understand:</p> <p style="padding-left: 20px;">a) their obligation under clause 10.34 to consult on metering installation design</p> <p style="padding-left: 20px;">b) that the like-for-like replacement of a metering component or metering installation is a modification to the existing metering installation.</p> <p>It could also increase the reliability of supply for consumers as it would help ensure their metering installations are fit-for-purpose for their connection type.</p>

	The proposed amendment is expected to have no effect on competition.
<b>Assessment against Code amendment principles</b>	The Authority is satisfied the proposed Code amendment is consistent with the Code amendment principles, to the extent they are relevant.
Principle 1: Lawfulness.	The proposed Code amendment is consistent with the Act, as discussed above in relation to the Authority's statutory objective and the requirements set out in section 32(1) of the Act.
Principle 2: Clearly Identified Efficiency Gain or Market or Regulatory Failure	The proposed Code amendment is consistent with principle 2 because it addresses a regulatory failure that is leading to market inefficiency, and which requires a Code amendment to resolve.
Principle 3: Quantitative Assessment	Please refer to the assessment of costs and benefits in section 3 of the consultation paper.
<b>Regulatory statement</b>	
Objectives of the proposed amendment	The proposal's objective is to clarify: <ul style="list-style-type: none"> <li>a) when an MEP must consult on the design of a metering installation, and</li> <li>b) that a like-for-like replacement of a metering component or metering installation is a modification to an existing metering installation.</li> </ul>
Evaluation of the costs and benefits of the proposed amendment	Please refer to the assessment of costs and benefits in section 3 of the consultation paper.
Evaluation of alternative means of achieving the objectives of the proposed amendment	The Authority has not identified an alternative means of achieving the objectives of the proposed Code amendment.