MARCHMENT HILL

- consulting -

Facilitating consistent understanding of the transformation impact of Smart Metering on the Victorian electricity industry

the challenge

The Australian electricity market is one of the most vibrant and competitive markets in the world. Competition exists across numerous value chains associated with the electricity market, including energy commodities, metering infrastructure and metering data supply. Within this industry context, disaggregation and privatisation of the State Electricity Commission of Victoria (SECV) has led to the Victorian electricity industry being the most complex in Australia.

Deployment of Advanced Metering Infrastructure (AMI)[1] and subsequent introduction of AMI Services calls for new cross-industry processes to be established and changes to existing cross-industry processes to be implemented. These processes support the Victorian Program but also impact the National Energy Market (NEM) operations outside Victoria, where there are no AMI implementation mandates.

As a further complication, the National Smart Metering Program has been established to develop the framework for deployment of smart metering across the NEM but has a delivery timeframe of late 2010, after the mandated timeframes in Victoria for deployment and commencement of AMI Services.

In this environment there was a very high risk that, if participants worked independently on the detailed definition of the AMI Program requirements when designing their internal processes and system changes, the participants' solutions would not be compatible – and the Program would not be able to meet key milestones.

engagement profile

[1] AMI is the Victorian government's term for Smart Metering. AMI includes meters that satisfy the Minimum AMI (Victoria) Functionality Specification and related communications technology required to fully enable the AMI Services defined in the Minimum AMI (Victoria) Service Level Specification.

what Marchment Hill did

Marchment Hill Consulting, in our role as the Victorian AMI Program Office, led the development of a cross-industry process model which identified how AMI meter deployment activities and AMI services would operate across the Victorian electricity market.

We established and facilitated the Business Process Working Group (BPWG) comprising representatives from the distribution businesses, retailers and NEMMCO which, over a four month period, documented seventeen processes that were impacted, changed, or introduced as a result of the AMI Program.

Using best practice process analysis and mapping techniques, the BPWG produced a consolidated document that is being used by all participants as the process guide for their internal development. The finalisation of the process model included a formal cross-industry review to mitigate the risk of inconsistencies between participants' understanding of these processes.

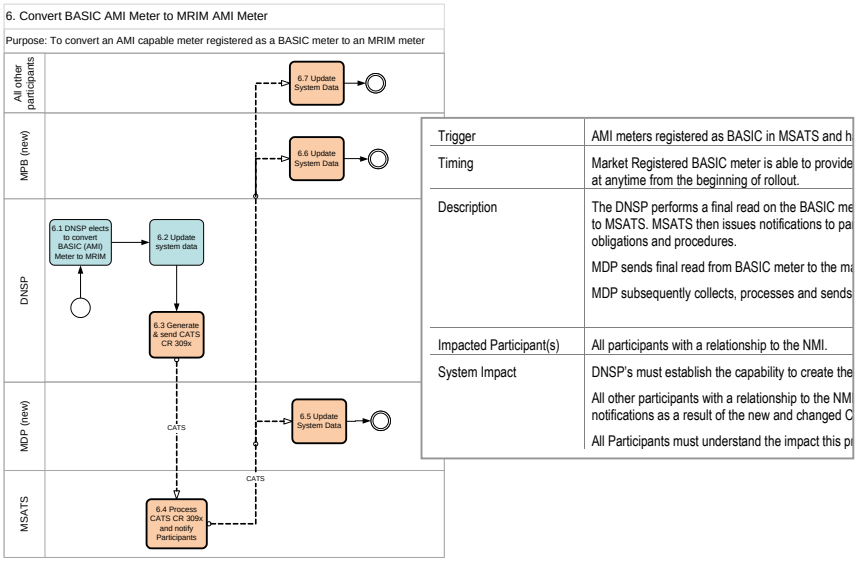

Figure 1: Example of AMI Process Model documentation

A detailed process map and table describing each process step. Principles and assumptions for each process are also presented to ensure all parties have full information.

the benefit

Providing detailed information on the cross-industry interactions and data flows materially reduces the risk of process or data transmission failure when the processes are tested and/or implemented.

The process model also provided important information about testing and consumer communications requirements that are imperative to the success to the AMI Program.