



MARCHMENT HILL

- consulting -

Review of retailer readiness for smart meter rollout

the challenge

From September 2009, smart meters are being installed in Victoria as part of the government's Advanced Metering Infrastructure (AMI) program that will result in 2.6 million meters being replaced by December 2013.

At the AMI program peak, up to 4000 meter exchanges will be completed per day. Initially the new meters will operate as accumulation meters, but from April 2010 they will be progressively converted to operate as interval meters.

The deployment of smart metering creates significant challenges for electricity retail operations in Victoria.

The introduction of interval meter data will result in an enormous increase in the volume of meter data that retailers will need to manage on a daily basis.

Shortly after the AMI meters are deployed, the distribution businesses will be able to remotely de-energise and re-energise these meters. Retailers will need to change their interactions with customers requesting these services, and will assume new liabilities associated with the operation of these services

As the meter data becomes available more frequently, there will be impacts to wholesale settlement, network billing and customer transfer processes that retailers will need to be able to accommodate.

Maintaining compliance with existing and new market and regulatory obligations requires changes to retail operations and systems. Our client, a large electricity retailer, had developed a business solution to deliver changing market and regulatory arrangements, and was starting to implement the required changes.

what Marchment Hill did

Marchment Hill Consulting was asked to provide an independent high-level assessment of the business's program of works, and determine whether the planned changes would support the business objective to maintain regulatory and market compliance for retail operations.

engagement profile

Our assessment included a review of current project documentation, regulatory instruments, and AMI market process. Drawing upon insights gained from our role as the AMI Program Office and our AMI readiness methodology, we were able to complete an informed and objective assessment of our client's AMI preparations.

The assessment focused on answering the following key questions:

- Can the business meet the minimum operational, market and regulatory requirements that it must satisfy once the AMI meter deployment commences and the new AMI Services commence?
- What work is already underway to meet any capability gaps?
- Will work be delivered in time to meet AMI program milestone dates?
- What are the details of any AMI capability gaps and what recommendations are there to resolve these?

AMI Readiness Assessment Dashboard			
AMI Process Requiring Origin Energy Compliance	Overall	Schedule	Risks
AMI Meter Deployment Forecast Notification	Green	Green	Gr
Pre- AMI Meter Exchange Customer Communications	Red	Green	R
DNSP Notification to FRMP of Planned AMI Meter Exchange Procedure: OneWayNotification	Amber	Amber	Gr
Mass Rollout Meter Exchange and Metering and Data Stream Standing Data Update	Green	Green	Gr
Convert BASIC AMI Meter to MRIM AMI Mete	Green	Green	Gr
Re-energisation and De-energisation of Customer Supply	Red	Amber	R
Collection and Delivery of Meter Data for AMI Metering Installations	Green	Green	Gr
Communication of Network Tariff Reassignment	Green	Green	Gr
Network Billing Process	Amber	Amber	Gr
Wholesale Settlement	Amber	Amber	Gr
Resolution of Customer No Access and Site Defect Issues	Green	Green	Gr
Reconnection Following a Disconnection for No Access or Defect	Green	Green	Gr

Figure: Example AMI Readiness Dashboard

The final report included an executive dashboard report on the Client's readiness for AMI and recommendations on areas for further analysis and planning.

the benefit

Marchment Hill Consulting's independent approach helped our client understand whether their solution and project plan was fit for purpose to deliver the required changes to market and regulatory obligations.

By doing a review in the early phase of the project, the business was able to act early on the recommendations provided, and continue to implement their solution with confidence.