Government of South Australia
Department of State Development

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Mr John Pierce
Chairman
AEMC
PO Box A2449
SYDNEY SOUTH NSW 1235

Dear Mr Pierce

Thank you for the opportunity to comment on the Australian Energy Market Commission's draft rule determination regarding expanding competition in metering and related services.

Advanced metering, and associated retail products, can deliver significant benefits to electricity consumers, including a greater ability to manage their electricity use and bills and enable a greater range of market offers such as actual monthly billing and innovative tariff structures.

While the Energy Markets and Programs Division of the Department of State Development consider the Commission's draft rule determination generally incorporates many of the key elements of the COAG Energy Council's rule change request, there are a number of specific issues within the proposed drafting that raise concerns.

These issues relate to a customer's limited ability to opt-out of getting an advanced meter, the ambiguity in the drafting concerning meter reversions, responsibilities for manual interruptions and the requirement to use remote data for existing meters. Please find attached further comments detailing the Division's concerns with the draft rule determination.

Thank you again for the opportunity to comment on the Australian Energy Market Commission's draft rule determination regarding expanding competition in metering and related services. Should you have any questions in relation to this submission, please contact Ms Rebecca Knights, on (08) 8226 5500.

Yours Sincerely

VINCE DUFFY
EXECUTIVE DIRECTOR,
ENERGY MARKETS AND PROGRAMS DIVISION

25 **/ 05 /2015**

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SOUTH AUSTRALIA

Attachment 1

Comments on the AEMC's Draft Determination – Expanding Competition in Metering and Related Services

Opt-out Provisions

The Division supports the AEMC's position that small customers are able to opt-out of a retailer deployment of advanced meters. However, the Division has concerns regarding the other scenarios where the AEMC has determined not to provide consumers with the opportunity to opt-out and the ability to deal with customers who may take exception to being required to install an advanced meter.

Experience in Victoria has demonstrated that forcing customers to have advanced meters installed where they do not consider there is any benefit, or they perceive a negative impact on their health or energy costs, can lead to considerable resistance to the technology, to the degree that some refused to allow a new meter to be installed.

Based on the drafting of the current rule amendments it is not clear whether the AEMC has given appropriate consideration to how to deal with disgruntled customers who refuse to have an advanced meter installed. It would be concerning if the only mechanism available for forcing a customer to accept an advanced meter was through disconnection of the customer from the electricity supply.

Meter Reversions

I note that in the draft rule determination the AEMC prevents a Metering Coordinator from replacing an existing metering installation at a small customer's connection point with one that does not meet the minimum services specification and that an explicit "no reversion" clause is not necessary and is not contained in the draft rule.

The new drafting of the rules does not appear to be clear on the ability of a Metering Coordinator to undertake a meter reversion. Rule 7.3.2(e)(6) of the National Electricity Rules (NER) requires that a Metering Coordinator must not replace a device that is capable of producing interval energy data with a device that only produces accumulated energy data unless the metrology procedure permits the replacement to take place. Further, rule 7.16.4(d) of the NER provides for jurisdictional metrology material to address guidelines for the replacement of a device capable of producing interval energy data with a device that only produces accumulated energy data. This is consistent with current drafting of the rules and seems inconsistent with the AEMC's policy intent and the requirement for Metering Coordinators to install meters that meet the minimum service specifications contained in the rules.

As South Australia currently has provision in the metrology procedures for meter reversions it is important that the AEMC ensure the final drafting resolves the inconsistency noted above.

Interruptions

The Division notes that under rule 7.3.2 of the amended NER the Metering Coordinator must appoint a Metering Provider or Metering Providers for the provision, installation and maintenance of that installation. The Division is concerned, however, that the drafting of other rules could be interpreted such that while the Metering Provider is responsible for the actual physical installation, they may be limited by the rules being placed on the Metering Coordinator that engages them.

Rule 7.3.2(h)(3)(ii) of the NER prohibits the Metering Coordinator, for small customer installations, from disconnecting or reconnecting a metering installation except via remote access. Further, rule 91A (b) of the NERR could be interpreted as placing a restriction on who must effect an interruption for the purpose of the installation, maintenance, repair or replacement of a meter. It may be interpreted as only allowing a distributor to interrupt a customer's site for work on the customer's meter. These rules could in practice lead to restrictions on the Metering Provider due to the Metering Coordinator's role in engaging them.

The Division considers that the responsibility for undertaking the work to install a new meter rests with the Metering Provider. Whether a Metering Provider should be authorised to interrupt a customer's site for the purpose of undertaking work on the meter should rest with jurisdictional regulators responsible for electrical technical and safety matters.

The DNSP may not need to be involved in an interruption to a customer's site, for example, the site may have an isolation switch allowing the Metering Provider to safely isolate the customer's site to undertake their work on the meter. As long as the Metering Provider is appropriately qualified and complies with any jurisdictional safety requirements, there may be no reason for the DNSP to be required to undertake the manual disconnection. Unnecessarily requiring the DNSP to undertake disconnections and reconnections could lead to delays in the installation of advanced metering as the Metering Provider is required to negotiate with the DNSP to effect the dis-connection or reconnection and could in fact increase the costs of metering work.

These drafting issues must be resolved in the final rules.

The drafting of the rule 91A in the amended NERR also refers to where the installation, maintenance, repair or replacement of metering equipment is to be undertaken by the Metering Coordinator. The Division understands that the Metering Coordinator is responsible for arranging any work at the metering point, the Metering Provider it appoints will be required to undertake it, as provided for in rule 7.3.2 of the NER.

The current drafting of rule 91A is therefore unclear. Firstly, the use of the word 'undertaken' creates a level of ambiguity around the purpose of this rule, as the Metering Coordinator will only be undertaking the installation, maintenance, repair

or replacement in circumstances that they are also the Metering Provider. In other circumstances they are only making arrangements with a Metering Provider.

Given the NERR relates to consumer protections, not technical and safety matters, it is presumed the purpose of rule 91A relates to notification requirements for interruptions. That is, it ties into rule 90 and 91 of the NERR that require the distributor to give a customer appropriate notification of interruptions.

The distributor would appear to be required to give notification even in cases where a planned interruption may be the result of work a Metering Provider is required to perform on the metering installation.

The AEMC's proposed rules also require a customer to be directed to the distributor in its notification of a planned interruption, even when the interruption has been requested by the Metering Co-ordinator (rule 90(2)(c) of the NERR).

It may no longer be appropriate to rest the onus of notification requirements for planned and unplanned interruptions relating to installing or servicing a metering installation on the distributor.

Accordingly, it is recommended that the AEMC further consider customer notifications for interruptions to a customer site for the purpose of the installation, maintenance, repair or replacement of metering equipment.

Further, the Division notes the AEMC's position in its draft determination to retain the existing timeframes in the rules within which the Metering Coordinator must arrange for repair or replacement of a faulty metering installation. Where it is the initial Metering Coordinator, a distributor will be required to notify the retailer of the faulty meter and the retailer will need to appoint a new Metering Coordinator to replace the faulty meter. The Division doesn't consider this process to be efficient and notes that it will delay the customer having their metering installation replaced. While the AEMC assumes retailers will make arrangements for fault scenarios with distributors and other parties prior to the commencement of the new rules, there is no obligation on them to do so. The AEMC should further consider this process to ensure that consumers are not required to wait unnecessarily to have a faulty meter replaced.

Remote access to Data

The Division notes that rule 7.3.2(f) of the NER requires that the Metering Coordinator must, for each small customer metering installation ensure that energy data is retrieved via remote access. The AEMC's draft rules will result in local network service providers becoming the Metering Coordinator for type 5 and 6 metering installations from the date the rules commence. It is unclear how the local network service providers that become Metering Coordinators for installations such as these, which do not have remote access, will be able to comply with this rule. This issue does not appear to be considered in the proposed savings and transition amendments. The Division considers that the rules need to be clear that under the above circumstances a Metering Coordinator is not required to comply with 7.3.2(f).

The AEMC should carefully consider all the requirements in the rules related to the Metering Coordinator and determine whether they can apply to a Metering Coordinator responsible for type 5 and 6 metering.