Submission to Review of the Regulatory Framework for Metering Services

Australian Energy Market Commission

10th of February 2023

# About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and welfare sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metropolitan, regional and remote areas.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

# **Submission supported by**



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| **Summary of AEMC key recommendations****A new pathway to 100% uptake |** The Commission recommends the target of universal uptake of smart meters by 2030 in NEM jurisdictions (QLD, NSW, SA and ACT), where legacy accumulation and manually read interval meters are progressively retired by the distribution network service providers (DNSPs) under a legacy meter retirement plan, and retailers are required to replace the retired meters within a set time frame. Achieving a ‘critical mass’ of customers with smart meters can bring forward the provision of new and innovative services by retailers and third parties, and network benefits that participants will pass through to customers.**Enhancing existing metering arrangements** | The Commission has identified opportunities to address problems with the current metering framework that have created process inefficiencies and led to poor customer experiences. The Commission recommends changes to the Rules that would reduce delays in meter replacements, facilitate coordination between market participants and empower customers to request a meter upgrade.**Supporting customers through the transition** | The Commission recognises the need for transitional measures to support customers through the accelerated smart meter deployment program. The Commission recommends measures to create greater transparency for customers and information on how they can access the benefits, and customer safeguards to help manage change and provide greater assurances for customers who might be disadvantaged – including by potentially being assigned immediately to a cost-reflective pricing structure.**Unlocking new customers benefits** | The Commission recommends new requirements to allow DNSPs, market participants and customers to access power quality data, which can provide for new value streams from customers’ investment in smart meters. We consider the current arrangements for negotiating and utilising this data are not working as intended. |

# Summary

We welcome the opportunity to make a submission on the AEMC’s [Review of the Regulatory Framework for Metering Services - Draft Report](https://www.aemc.gov.au/sites/default/files/2022-11/Draft%20report%20%284%29.pdf) (Draft Report).

This submission is complementary to and supplements our earlier submission:

* [The AEMC’s Review of the Regulatory Framework for Metering Services - Directions Paper](https://www.acoss.org.au/wp-content/uploads/2021/12/ACOSS-submission-to-AEMC-Discussion-Paper-on-Smart-Metering-08112021.pdf)
* [The AEMC’s Review of the Regulatory Framework for Metering Services - Consultation Paper](https://www.acoss.org.au/wp-content/uploads/2022/12/ACOSS-submission-to-AEMC-on-Smart-Metering-Final-08032021.pdf)

Every house has an energy meter, which traditionally was used to measure how much energy was being consumed and required someone to come out to the house and read the meter. This limited role was largely determined by available technology and what the system required. However, with changes to the energy systems and more advanced metering technology available, the fundamental role of the energy meter has expanded. Smart meters or metering, digitally record energy information such as energy consumption, energy export, voltage levels, current and power factor. They communicate the information digitally to the consumer, distribution network service provider (DNSP) and retailers/aggregators.

The information smart metering provides the DNSPs is more detailed, comprehensive, and timely. It enables them to better manage the energy system and identify faults more efficiently and effectively, thereby reducing costs.

The information smart metering provides to retailers helps them better meet the need of their customers through more accurate and frequent billing services, efficient service delivery (i.e., remote connections), innovative pricing and delivery of new services or products.

For consumers, advanced metering provides more detailed and timely information to help them better understand and manage energy costs and consumption. It enables consumers to access a range of beneficial behind-the-meter (aka in-the-home) services like reading the consumption of and managing smart appliances, demand response, electric vehicle charge and discharge, and solar PV and it improves safety outcomes.

Outside of Victoria, Australia has the second lowest levels of smart meter adoption in the OECD. The current rollout of smart metering is adhoc,[[1]](#footnote-1) full deployment across the National Energy Market (NEM) is not likely until 2040 and benefits are not being realised. People experiencing financial disadvantage, especially renters, are likely to be the last to receive smart metering devices and their benefits, and most impacted by the costs of a system that cannot be run as safely and efficiently as it should.

In addition, the slow rollout, the current industry structure, and metering framework - the coordination of metering installation, maintenance, and data - is inefficient, complex, and commercial focused. It is preventing many of the fundamental benefits of advanced metering from being realised, even where they are installed, and is not in the long-term interest of consumers. **We remain concerned that the AEMC has not reviewed the industry structures as part of this review**.

Commissioned by AEMC for this review, Oakley Greenwood, found the overall benefits of an accelerated deployment are greater than the costs (in Net Present Value (NPV) terms, 2022) for New South Wales and the Australian Capital Territory ($256 million), Queensland ($197 million) and South Australia ($53.7 million).[[2]](#footnote-2) But notes there may be short-term costs to consumers. Therefore, the design of and how costs are recovered for smart metering rollout will be important.

As with the previous submission, the focus of this submission will be on how to improve the efficiency, effectiveness, and social equity of smart metering regulation to deliver on essential infrastructure for all energy users. As well as maximise the multiple energy user and energy systems benefits, especially for people on low-income or experiencing disadvantage. Importantly reform must address the ongoing effectiveness of metering regulation, not merely the pace of deployment.

In our early submission, we concluded that **there is a strong case for a fast, universal, equitable and efficient rollout of smart metering and reforms to the framework governing metering alongside appropriate energy user protections.**  Metering is an essential infrastructure. Smart metering underpins multiple consumer and energy systems requirements, and is critical to access of future energy information, services, products and markets.

The AEMC’s Draft Report establishes a strong case for the acceleration of smart metering rollout in Australia and makes some positive recommendations.

However, the Draft Reports proposals are not sufficient to meet the challenges of the issues the Draft identifies and has not gone far enough in some of its proposed options. In particular:

* Targets for universal deployment are too late and should be bought forward to 2027.
* The existing industry structure and framework to deploy universal smart metering rollout and govern the effective operation of metering and data is complex, inefficient, and not in the best interest of consumers. It should revert to DNSP-led and implemented structure that retains the role of Metering Entities and reform data ownership and access.
* Not enough consumer protections are in place, especially for people experiencing disadvantage.

In this submission, we address the key questions outlined in the Draft Report and make recommendations to guide the final determination.

**Summary recommendations**

**Recommendation 1:** Accelerate the smart meter deployment to target 100 per cent uptake, with near-universal deployment by 2027.

**Recommendation 2:** AEMC to model the benefits of earlier start dates, including 2027.

**Recommendation 3:** AEMC drops all four proposed smart metering deployment options and instead recommends DNSP-led planning and implementation via the contracting of Metering Entities.

**Recommendation 4:** AEMC to model the cost-benefits of different deployment and metering responsibility options including DNSPs responsibility for planning, implementing, and contracting metering deployment and metering services via Metering Entities.

**Recommendation 5:** Support AEMC's recommendation to remove the provision enabling customers to opt-out of smart meter installation, with appropriate consumer protections in place.

**Recommendation 6:** Keep in place a provision for customers to opt-out of remote access capabilities (e.g., remote meter reads) upon installation of a smart meter.

**Recommendation 7:** Support the recommendation to reduce the number of notices to the customer on the date of smart metering deployment and other relevant information, from two notices to one, while enhancing the information provided in the notice (see also recommendation 11).

**Recommendation 8:** Support the recommendation to reduce testing and inspection requirements for legacy meters that are planned to be retired, so long as the replacement is completed with a period no longer than 12 months and any reported meter faults continue to be rectified in a timely manner.

**Recommendation 9:** Oppose the AEMCs recommendations regarding remediation responsibility and process, and recommend the following:

**9.1** There should be no forced requirement to recover costs upfront from the homeowner of necessary upgrading or replacement of metering boards. AEMC should do more to facilitate jurisdictional solutions and consider a range of mechanisms for defraying upfront costs. This should include recovering remediation costs from the associated National Metering Identifier (NMI) over time.

**9.2** Develop options for Metering Entities (not the homeowner) to undertake remediation, with appropriate consultation with the homeowner. This will be particularly necessary in regional and remote areas.

**9.3** There should be a clear standard policy or guidelines developed to provide consistency in determining what circumstances require remediation, when replacement can occur with a ‘future rectification notice’ and when simple replacement can be undertaken. Ideally this should include guidance on the range of costs associated with common forms of remediation.

**9.4** An appropriate subsidy for eligible low-income homes owners should be made available.

**Recommendation 10:** Support AEMC proposal for a ‘one-in-all-in’ approach to sites with shared fusing (i.e., multi-occupancy dwellings), noting a DNSP-led plan and implementation process would automatically facilitate this method with more certainty than the current AEMC proposals.

**Recommendation 11:** Build trust and support for accelerated universal deployment of smart metering through government-led, culturally appropriate and easily digestible information, by implementing the following:

* The Government should undertake a concerted information campaign including a government website and 1800 number for language interpretation services.
* Brief information about the proposed rollout should be included on energy bills with a link to the Government managed website and 1800 number.
* Comprehensive, readable and culturally appropriate information should be provided on the notice of installation, including the benefits to customers. The notice should include links to the website or an 1800 number to access the information in different languages
* Comprehensive, readable and culturally appropriate information should be left with the customer or in the letterbox upon installation, including the benefits to customers. The notice should include links to the website or an 1800 number to access the information in different languages
* The information provided on the website, in the notice of instalment and provided upon installation, should include:
	+ Reason for the new meter.
	+ What services are available, how to access the services and the benefits.
	+ How the customer can access their smart meter data.
	+ Customers rights and responsibilities.
	+ A warning that the retail tariff (electricity pricing plan) may change with the installation of a smart meter and to check their electricity bill and contact their retailer.
	+ How costs will be recovered.
	+ Who to contact with issues.
	+ In the case of the installation notice, the date for when the installation will occur and who to contact should be included.
* Consultation should be undertaken with consumer groups and consumers on guidelines in the NERR regarding what information should be provided.

**Recommendation 12:** Support AEMC recommendation that the retailer must facilitate the installation of a smart meter upon customer request for any reason. This recommendation can still be accommodated through our preferred model of DNSP responsibility for contracting metering services, through existing business-to-business communications protocols.

**Recommendation 13:** AEMC initiates a review (in collaboration with consumer groups, networks, retailers and the AER), of the impact of retail cost-reflective tariff reform on customers, in particularly vulnerable consumers. The focus should be on the interaction between network and retail tariffs, identifying additional actions required to ensure consumer retail choice is protected and improved, and identifying additional protections for vulnerable consumers.

**Recommendation 14:** Until the AEMC review of the impact of retail cost-reflective tariffs is completed and recommendations implemented, measures should be strengthened to ensure retailers are required to maintain choice of tariff structure for their customers i.e. consumers cannot be forced onto retail tariffs like time-of-use or demand management when network tariffs are changed and smart metering is installed.

**Recommendation 15:** With recommendations 13 and 14 in place, continue to implement network time of use tariffs charges to retailers.

**Recommendation 16:** Other consumer protections that should be implemented include:

**16.1** Life support customers cannot be disconnected remotely under any circumstances.

**16.2** Reform disconnection provisions to prevent remote disconnection for the purpose of debt management unless a retailer has demonstrated they have carried out all prior obligations and undertaken (or authorised a third party to undertake) a site visit. Disconnection protections under the National Electricity Consumer Framework (NECF) should be reviewed and strengthened to better align with disconnection safeguards under the Victorian Payment Difficulty Framework.

**16.3** Smart metering complaints and handling be included in energy ombudsman schemes.

**16.4** National Energy Customer Framework (NECF) and Australian Consumer Law are regularly reviewed and modified to support customers in the purchase of new energy products and services.

**Recommendation 17:** The AEMC metering reforms reflect the purpose of metering in their data management and provision recommendations. This should include:

**17.1** The AEMC define the data elements required by DNSPs, retailers and system operators to operate the energy system efficiently in the long-term interest of consumers. Ensure these elements are provided free as part of the metering responsibility.

**17.2** Recognise all other data related to the meter is the property of the consumer and the consumer should be able to access, control or provide that data at their discretion.

**17.3** Develop a process for the simple user-friendly provision of smart meter data to consumers.

**17.4** Enable access to smart meter services for consumers’ authorised representatives (third parties) in a way that upholds privacy protections and reinforces consumer access and control of data. This may require alterations to the Consumer Data Right processes and/or the creation of energy specific data protocols.

**Recommendation 18:** Address potential short-term costs to consumers of universal and accelerated smart metering deployment by changing the industry structure to require the DNSP to lead the planning and implementation and implementing recommendations above. Regardless of the responsible entity, meter installation costs and ongoing metering operation costs should be transparent and subject to regulatory oversight.

# Discussion

The responses to this consultation are guided by the following principles developed by consumer advocates and provided in our previous submission.

* Smart metering should be considered essential infrastructure for all consumers, to facilitate access to clean, affordable and dependable energy for all.
* Consumers should benefit from smart meters and not be disadvantaged, with adequate protections in place to ensure this.
* Metering responsibilities should be simplified to improve efficiencies, make it easier for consumers and reduce risks.
* Responsibility for metering should be delegated to entities with most capability for managing cost and risk efficiently, and most direct incentive to undertake rollout quickly, efficiently and for the benefit of the system.
* There should be clear and transparent responsibility for who the meter belongs to, and who is responsible for maintenance and replacement.
* There should be no upfront costs to individual consumers of installing smart meters. Costs should be transparent, regulated and paid for via delivery of service. Costs to consumers should be offset by efficiency gains and other benefits to the network/retailer.
* There should be no upfront costs for necessary upgrading or replacement of metering boards (i.e., where asbestos or other problems exists). There should be clear standard policy for how upgrades and replacements are done and acceptable costs. Costs should be recovered from homeowners over time. A subsidy for eligible low-income homes owners should be made available.
* Minimum service and compliance provisions are documented and transparent.
* Installation and ongoing use of meters should be done in a way to prevent health and safety risks.
* Improve consumer decision-making by providing appropriate consumer information and education on smart metering, rights and capabilities, smart metering services and managing energy needs. Ensuring options and tools are clear, transparent, learnable, in plain and culturally appropriate language and accessible.
* A data framework is developed that:
* Enables free access to smart metering data required for the efficient operation of the system by defined market participants as part of the metering responsibility.
* Affirms consumers right to have control over their own data, at no cost.
* Protections are in place to reduce data security risk and report transparently.
* Regular reviews should be undertaken to monitor and report on benefits and barriers.

The following sections respond directly to AEMCs key recommendations and questions posed.

## 2.1 Smart metering acceleration targets

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| AEMC RECOMMENDATION* AEMC REC 1. Accelerate the smart meter deployment to be complete in 2030
* AEMC REC 2. Accelerate the smart meter deployment to target 100 per cent uptake

AEMC QUESTION 1: IMPLEMENTATION OF THE ACCELERATION TARGET * Do stakeholders consider an acceleration target of universal uptake by 2030 to be appropriate?
* Should there be an interim target(s) to reach the completion target date?
* What acceleration and/or interim target(s) are appropriate?
* Should the acceleration target be set under the national or jurisdictional frameworks?
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We remain concerned that without a universal scale rollout with a clear timeline for completion, people experiencing financial disadvantage, especially renters, will be the last to access new smart meters and their benefits. These groups who are already facing other structural disadvantages will be left further behind in the energy transition. We think it is **essential** from a social equity and poverty alleviation perspective that there is a fast and equitable universal smart meter rollout.

We, therefore, welcome the AEMCs commitment to an accelerated and universal rollout of smart metering. However, we believe 2030 is too slow.

As previously indicated outside of Victoria, Australia has the second lowest levels of smart meter adoption in the OECD of only 15%[[3]](#footnote-3) - 17.4%[[4]](#footnote-4). Numerous countries already have penetration rates of over 95% with many more well on their way to achieving these rates in the next few years.

Victoria has already achieved near-universal smart meter penetration. Tasmania announced a universal rollout in 2021 aiming for full deployment by 2026.

In our previous submissions in 2021, we recommend a universal rollout by 2025. Given the delay in this review process and therefore potential start date, and concerns raised around bottlenecks and barriers, especially in regional and rural areas, we now recommend **the AEMC should set a target for near-universal take-up by 2027 (**across New South Wales, Queensland, Australian Capital Territory and South Australia).

An early start date will also ensure people experiencing financial disadvantage and renters will be able to access benefits sooner.

**We support the AEMCs goal of 100% uptake.** We recognise that 100% uptake by 2027 may face some challenges, especially in regional and remote areas where there may be remediation of metering boards required. However, we believe setting a target of 100% uptake is important, and aiming for near-universal (close to 100%) uptake by 2027.

There could be some benefit in aiming for an interim target of say 90% by end of 2026, which would enable the bulk of smart metering to be achieved, with the remaining 10% identified and plans in place to progress in 2027.

**Recommendation 1:** **Accelerate the smart meter deployment to target 100 per cent uptake, with near-universal deployment by 2027.**

We note that Oakley Greenwood was only commissioned to model the benefits of the accelerated and near-universal roll-out of smart metering from 2030 or later. We recommend the AEMC commission modelling of an earlier rollout.

**Recommendation 2:** **AEMC to model the benefits of earlier start dates, including 2027.**

## 2.2 Deployment options to accelerate smart meters

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| AEMC RECOMMENDATION* AEMC REC 3. Utilise legacy meter retirement plans created by DNSPs as the mechanism to accelerate smart meter deployment (Option 1).
* AEMC REC 4. No change to the current industry structure implement smart metering deployment

AEMC QUESTION 5: STAKEHOLDERS’ PREFERRED MECHANISM TO ACCELERATE SMART METER DEPLOYMENT* What is the preferred mechanism to accelerate smart meter deployment?
* What are stakeholders’ views on the feasibility of each of the options as a mechanism to accelerate deployment and reach the acceleration target?
* Are there other high-level approaches to accelerating the deployment that should be considered?
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As noted above and outlined in appendix 1, the process for smart metering deployment has become ad hoc and complex. Previous to 2015 the responsibility for metering installation, maintenance, and data management was held by DNSPs. Now there are numerous parties involved. The retailer is the first port of call and is responsible for arranging the metering services for its small customers by engaging the metering coordinator. The Metering Coordinator (MC) will appoint a Metering Provider (MP) for metering installation and maintenance and a Metering Data Provider (MDP) for meter data activities (to be referred in this submission as Metering Entities (ME)). The DNSP has to enter into a commercial arrangement with retailers and/or metering coordinators to access metering services and data.

The AEMC has considered four options to accelerate smart metering deployment (see appendix 1 for a summary of all 4 options) and has recommended option 1 (DNSP-led retirement plan). Option 1 would require DNSPs to work with key stakeholders such as retailers, metering parties and jurisdictional governments to develop and publish a plan to retire their legacy meter fleet (old, dumb meters) in a transparent and orderly manner, with actual retirement done through current arrangements of retailer contracting the MC, who engages the MP and MDP.

The other options included a retailer-led plan (option 3), MC-led plan (option 4) and rules-led plan (option 2).

Of the options considered by the AEMC, option 1 DNSP-led plan, is probably the most efficient and cost-effective, but still has layers of complexity involving multiple parties, which come at a cost.

For example, if we take a single street with 20 houses, where there could be up to 20 different retailers serving each house/customer, each retailer has responsibility for contracting an MC who then engages an MP to do the installation. We could end up with multiple MPs in one street. This requires multiple touch points (which adds costs and complexity) and the potential for multiple parties installing in the same street (which is inefficient and less cost-effective if one MP installed meters in the one street).

**We believe the smarter, most efficient and cost-effective option would be for DNSPs to not just lead the planning for the retirement of meters, but also work directly with the Metering Entities (ME) to do the installation (and ongoing maintenance).**

Returning smart metering deployment responsibilities back to DNSPs, would also return the costs of smart metering deployment and recovery of costs back to the DNSP. We believe this would be a more cost-effective way to manage the impact on consumers.

The cost of the accelerated deployment would be built into the regulated asset base over an appropriate appreciation period. It would be subject to network regulatory proposals and associated AER review, where the AER could require the DNSP to take into account the savings to the network of accelerated universal deployment of smart meters, in calculating the cost to consumers.

We believe this methodology would result in lower costs to consumers in the short and long term than the options put forward by the AEMC.

We note the AEMC has recommended not to change the industry structure but has not offered up any compelling evidence or cost-benefit analysis to support their position, other than a desire to not unscramble the egg. The current industry structures have become bloated, has failed to deliver lower costs for consumers and are not conducive to efficiently accelerating the universal deployment of smart meters.

**Given the essential nature of energy and the rising costs of the energy transition, the AEMC remit should be what's in the best interest of consumers and not what's in the best interest of the industry and we ask the AEMC to properly review and consider changes to the industry structure for metering deployment, maintenance and data management.**

We note the Oakley Greenwood cost-benefit analysis did not model the cost-benefits between the different deployment options but rather modelled the outcomes of an accelerated deployment. Given there would be different costs associated with deployment mechanisms, we recommend the AEMC model the cost-benefit of their option 1 and our option of DNSP-led plan and implementation.

In summary, we believe transferring smart metering roles and responsibilities back to DNSPs, who already have responsibility for 80% of the traditional metering in place, while still providing a role for Metering Entities, would improve the efficiency of the installation, eliminate split incentives, allocate costs proportionately, reduce overall installation costs and simplify a universal scaled rollout of smart metering.[[5]](#footnote-5)

Transferring smart metering roles and responsibilities back to DNSPs is in the short and long-term interest of energy users.

We, therefore, do not support AEMCs recommendation to not make any change to the current industry structure to implement smart metering deployment.

**Recommendation 3: AEMC drops all four proposed smart metering deployment options, and recommends DNSP-led planning and implementation via the contracting of Metering Entities.**

**Recommendation 4: AEMC to model the cost-benefits of different deployment and metering responsibility options including DNSPs responsibility for planning, implementing and contracting metering deployment and metering services via Metering Entities.**

## 2.3 Customer opt-out of deployment and remote access

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| AEMC RECOMMENDATION* AEMC REC 5. Removing deployment opt-out provision. The Commission recommends the removal of provisions enabling customers to opt-out of smart metering deployment under standard retail contracts.
* AEMC REC 6. Remove the ability for customers to opt-out of remote access capabilities (e.g. remote meter reads) upon installation i.e. prevent the customer from disabling remote access.

QUESTION 6: FEEDBACK ON NO EXPLICIT OPT-OUT PROVISION* Do stakeholders have any feedback on the proposal to remove the opt-out provision for both a programmed deployment and retailer-led deployment?
* Are there any unintended consequences that may arise from such an approach?

QUESTION 7: REMOVAL OF THE OPTION TO DISABLE REMOTE ACCESS* Do stakeholders consider it appropriate to remove the option to disable remote meter access under acceleration?
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We believe smart metering should be considered essential infrastructure and become the industry standard. We, therefore, support AEMC's recommendation to remove the provision enabling customers to opt-out of smart metering deployment.

However, appropriate consumer protections should be in place, including:

* Change of retailer tariffs (energy price plan) upon installation of a smart meter is required to be opt-in i.e. consumers cannot be forced onto retail tariffs like time-of-use or demand management, tariff choice should remain.
* Life support customers cannot be disconnected.
* New retailer regulations are created and implemented to prevent remote disconnection for the purpose of debt management unless a retailer has demonstrated they have carried out all prior obligations and undertaken a site visit.
* Smart metering complaints and handling be included in energy ombudsman schemes.
* National Energy Customer Framework (NECF) and Australian Consumer Law are regularly reviewed and modified to support customers in the purchase of new energy products and services.

See section 2.10 for further discussion and recommendations.

**Recommendation 5: Support AEMC's recommendation to remove the provision enabling customers to opt-out of smart meter installation, with appropriate consumer protections in place.**

As to the question of whether to remove the ability for customers to opt-out of remote access capabilities (e.g. remote meter reads) upon installation. We note that there may be opposition from customers that utilise life-support for fear of remote disconnection or people with data privacy concerns, removing this provision could create opposition to accelerating smart metering deployment. We agree with the AEMC that allowing customers to opt-out could lead to inefficiencies and higher metering costs as it would mean site visits would be required. However, with appropriate education around benefits, we believe few customers would choose this option, and would retain the choice for consumers who have concerns.

**Recommendation 6: Keep in place a provision for customers to opt-out of remote access capabilities (e.g., remote meter reads) upon installation of a smart meter.**

## 2.4 Customer notification and reduce legacy meter testing

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| AEMC RECOMMENDATION* AEMC REC 7: Retailers only need to provide one notice for retailer-led deployments outlining relevant information for customers
* AEMC REC 8: Reduced testing and inspection requirements for legacy meters
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We support the proposal to reduce the number of notices for smart metering deployment from two notices to one while enhancing the information provided in the notice (see also section 2.7 on the provision of information, which recommends a Government led information campaign, a notice of smart meter deployment and information to be left with customer upon installation).

**Recommendation 7: Support the recommendation to reduce the number of notices to the customer on the date of smart metering deployment and other relevant information, from two notices to one, while enhancing the information provided in the notice (see also recommendation 11).**

The AEMC recommends exempting regular testing and inspection requirements for the legacy meter fleet once the AER approves the legacy meter retirement plan. The AEMC argues the risks are lower given that the remaining legacy meter fleet would be retired and replaced throughout the acceleration period.

We in principle support this proposal if the time frame for replacement is within what's considered safe by industry standards and is approved by the AER. The AEMC notes this would reduce costs to DNSPs and should be considered in calculating overall costs to consumers of accelerating universal smart metering (more easily done under a DNSP-led plan and implementation process).

**Recommendation 8: Support the recommendation to reduce testing and inspection requirements for legacy meters that are planned to be retired, so long as the replacement is completed with a period no longer than 12 months and any reported meter faults continue to be rectified in a timely manner.**

## 2.5 Remediation of site defects that prevent smart meters from being installed

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| AEMC RECOMMENDATION* AEMC REC 9: Consider a process to encourage customers to remediate site defects and track sites that need remediation (see pages 63-68 of the Draft report)
* AEMC REC 10: Consider arrangements to better support vulnerable customers who need to carry out site remediation

QUESTION 8: PROCESS TO ENCOURAGE CUSTOMERS TO REMEDIATE SITEDEFECTS AND TRACK SITES THAT NEED REMEDIATION* Do you consider the proposed arrangements for notifying customers and record keeping of site defects would enable better management of site defects?
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As noted in the AEMCs Draft Report, defects in the customer’s electrical installations can often prevent metering installations. Common defects include the insufficient size and poor condition of the meter panel, poor conditions of wiring in the board and asbestos in the panel. According to the AEMC, in most jurisdictions, customers are responsible for undertaking remediation to provide a site capable of accepting metering upgrades, and metering parties are not able to oblige the customer to undertake remediation.

We agree with the Draft Report, that site defects will likely impact the accelerated deployment of smart meters as they limit the level of smart meter uptake that could be successfully achieved under the acceleration program and affect the efficient deployment of smart meters.

We are particularly concerned for people on low incomes who own their own homes and are unlikely to be in a position to pay for the remediation (people in social and private renting would not have to pay as the cost would fall to the landlord).

As noted in the principles and previous submission, we believe:

* There should be no upfront costs for necessary upgrading or replacement of metering boards (i.e. where asbestos or other problems exists).
* This would require the metering entities (in consultation with the DNSP/retailer and the customer) to take responsibility for remediating defects rather than the customer.
* There should be a clear standard policy for metering providers and industry partners to follow on how upgrades and replacements are done and acceptable costs.
* Meter provider-managed site remediation based on clear standard policies and guidelines would:
	+ Ensure smart metering deployment occurs within a timely manner and targets are achieved. Under customer-led responsibility, installation may never occur if the customer continues to refuse to arrange and pay for remediation.
	+ Would reduce costs to the customer as the metering provider would rely on standard policy and guidelines to inform what is needed and approximate cost, and have relationship and access to trades to undertake the remediation.
	+ Enable costs to be recouped over a period of time, reducing upfront costs.
* A subsidy for eligible low-income homes owners should be made available.

**Recommendation 9: Oppose the AEMCs recommendations regarding remediation responsibility and process, and recommend the following:**

**9.1 There should be no forced requirement to recover costs upfront from the homeowner of necessary upgrading or replacement of metering boards. AEMC should do more to facilitate jurisdictional solutions and consider a range of mechanisms for defraying upfront costs. This should include recovering remediation costs from the associated National Metering Identifier (NMI) over time.**

**9.2 Develop options for Metering Entities (not the homeowner) to undertake remediation, with appropriate consultation with the homeowner. This will be particularly necessary in regional and remote areas.**

**9.3 There should be a clear standard policy or guidelines developed to provide consistency in determining what circumstances require remediation, when replacement can occur with a ‘future rectification notice’ and when simple replacement can be undertaken. Ideally this should include guidance on the range of costs associated with common forms of remediation.**

**9.4 An appropriate subsidy for eligible low-income homes owners should be made available.**

## 2.6 Improving industry coordination and minimising negative customer impacts in shared fusing scenarios

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| AEMC RECOMMENDATION* AEMC REC 11: Improve industry coordination and minimising negative customer impacts in shared fusing. The Commission recommends further developing and using ‘one-in-all-in’ approach to meter replacements to improve meter replacement efficiency and the customer experience in scenarios where meters for customers on a shared fuse need to be replaced.

QUESTION 9: IMPLEMENTATION OF THE ‘ONE-IN-ALL-IN’ APPROACH* Would the proposed ‘one-in-all-in’ approach improve coordination among market participants and the installation process in multi-occupancy sites?
* Are the time frames placed on each market participant appropriate for a successful installation process of smart meters?
* Are there any unforeseen circumstances or issues in the proposed installation process flow and time frames?
* How should DNSPs recover costs of temporary isolation of group supply from all retailers?
* Can the proposed role of the DNSP in the one-in-all-in approach be accommodated by the existing temporary isolation network ancillary services?
* Which party should be responsible for sending the PIN in the context of the one-in-all-in approach?
 |

As noted in the AEMCs Draft Report, customer sites with shared fusing, typically found in multi-occupancy dwellings, pose a barrier to rolling out smart meters in certain areas and usually result in a negative customer experience. Shared fusing tends to be more prevalent in older electrical installations. The AEMC is proposing further developing and using an ‘one-in-all-in’ approach to meter replacements for customers on a shared fuse that needs to be replaced. Under this approach, a metering upgrade for one or more customers on the shared fuse will trigger the upgrade for all customers and require the meters for all customers on the shared fuse to be upgraded concurrently. The proposed approach seeks to encourage better coordination amongst the parties in facilitating and undertaking the metering replacements.

We support a proposal for a ‘one-in-all-in’ approach to meter replacements for customers on a shared fuse.

We would assume locations that would need a ‘one-in-all-in’ approach would be identified in the DNSPs legacy retirement plan and appropriate coordination would be dealt with as part of implementing the plan, with a primary MC appointed.

We note, the ‘one-in-all-in’ approach would be more efficient and cost-effectively managed under a DNSP-led plan and implementation process.

**Recommendation 10: Support AEMC proposal for a ‘one-in-all-in’ approach to sites with shared fusing (i.e., multi-occupancy dwellings), noting a DNSP-led plan and implementation process would automatically facilitate this method with more certainty than the current AEMC proposals.**

## 2.7 Enhancing information provision and clarifying customer rights

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| AEMC RECOMMENDATION* AEMC REC 12: Require retailers to provide important information in a clear, streamlined, and consistent way to small customers before any smart meter upgrade. Enhancing the provision of information to customers and clarifying customer’s rights:
	+ requiring retailers to provide important information to small customers regarding smart meters prior to any upgrades in a clear, streamlined and consistent way
	+ requiring the development of a smart meter information website to enable consistent and customer-friendly information to be delivered to customers
* AEMC REC 13: The Commission proposes that a known and trusted authority should develop a smart energy website to enable consistent and customer-friendly information to be delivered to customers

QUESTION 10: STRENGTHENING INFORMATION PROVISION TO CUSTOMERS* Do you have any feedback on the minimum content requirements of the information notices that are to be provided by Retailers prior to customers prior to a meter deployment?
* Are there any unintended consequences which may arise from such an approach?
* Which party is best positioned to develop and maintain the smart energy website?
 |

We support enhancing the information provided to people regarding an accelerated universal deployment of smart metering. We recommend going beyond what is proposed by the AEMC, including Government led campaign to build trust and credibility.

**Recommendation 11: Build trust and support for accelerated universal deployment of smart metering through government-led, culturally appropriate and easily digestible information, by implementing the following:**

* **The Government should undertake a concerted information campaign including a government website and 1800 number for language interpretation services.**
* **Brief information about the proposed rollout should be included on energy bills with a link to the Government managed website and 1800 number.**
* **Comprehensive, readable and culturally appropriate information should be provided on the notice of installation, including the benefits to customers. The notice should include links to the website or an 1800 number to access the information in different languages**
* **Comprehensive, readable and culturally appropriate information should be left with the customer or in the letterbox upon installation, including the benefits to customers. The notice should include links to the website or an 1800 number to access the information in different languages**
* **The information provided on the website, in the notice of instalment and provided upon installation, should include:**
	+ **Reason for the new meter.**
	+ **What services are available, how to access the services and the benefits.**
	+ **How the customer can access their smart meter data.**
	+ **Customers rights and responsibilities.**
	+ **A warning that the retail tariff (electricity pricing plan) may change with the installation of a smart meter and to check their electricity bill and contact their retailer.**
	+ **How costs will be recovered.**
	+ **Who to contact with issues.**
	+ **In the case of the installation notice, the date for when the installation will occur and who to contact should be included.**
* **Consultation should be undertaken with consumer groups and consumers on guidelines in the NERR regarding what information should be provided.**

## 2.8 Allowing customers to receive a smart meter from a retailer for any reason

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| AEMC RECOMMENDATION* AEMC REC 14: Allow for and accept customer’s requests for a smart meter from the retailer for any reason

QUESTION 11: SUPPORTING METERING UPGRADES ON CUSTOMER REQUEST* Do stakeholders support the proposed approach to enabling customers to receive smart meter upgrades on request?
 |

The current framework does not specify that a retailer must install a smart meter at a premise upon a customer’s request. The Commission recommends that customers should be able to request a smart meter for any reason, for the avoidance of doubt.

We support allowing customers to be able to request a smart meter for any reason. Noting that in our proposal the retailer would request the DNSP to coordinate installation.

**Recommendation 12:** **Support AEMC recommendation that the retailer must facilitate the installation of a smart meter upon customer request for any reason. This recommendation can still be accommodated through our preferred model of DNSP responsibility for contracting metering services, through existing business-to-business communications protocols.**

## 2.9 Improving meter malfunction timeframes

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| AEMC RECOMMENDATION* AEMC REC 15: Implement appropriate replacement timeframes for meter malfunctions
* AEMC REC 16: Removing the malfunctions exemptions process currently administered by AEMO
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Support identifying malfunction category of “individual meters’ which should be resolved within 15 business days.

Support identifying malfunction of “family meters” (where there could be up to 10,000 malfunctioning meters)

Support sliding scale for the replacement time frame and keeping the exemption under special circumstances.

## 2.10 Tariff assignment policy under an accelerated smart metering deployment

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| AEMC RECOMMENDATION* AEMC REC 17: Addressing customer risks from automatic reassignment to a new tariff structure
	+ Option 1: Strengthen the customer impact principles to explicitly identify this risk to customers.
	+ Option 2: Prescribe a transitional arrangement so customers have more time before they are assigned to a cost-reflective network tariff.
	+ Option 3 No change: Maintain the current framework and allow the AER to apply its discretion based on the circumstances at the time.

QUESTION 12: TARIFF ASSIGNMENT POLICY UNDER AN ACCELERATED SMARTMETER DEPLOYMENT* What option do you support?
* Under options 1 or 2, should the tariff assignment policy apply to:
	+ all meter exchanges – for example, should the policy distinguish between customers with and without CER?
	+ the network and/or the retail tariffs?
* What other complementary measures (in addition to those discussed above) could be applied to strengthen the current framework?
 |

While we believe a fast, universal, equitable and efficient rollout of smart meters is critical to ensure everyone has access to beneficial energy information, tariffs, services, products and markets, **there would need to be several reforms made in parallel to provide consumer protections to deal with potential downsides to the installation of smart metering**, especially for people on low incomes or experiencing disadvantage. Issues around being defaulted to retailer tariffs and remote disconnection for inability to pay, must be addressed as part of a universal rollout of smart metering.

While we see the benefits of more cost-reflective tariffs in managing the energy grid and reducing costs to everyone. However, in some cases, some consumers will be worse off as they will be unable to manage their energy use in a way that they benefit from a cost-reflective tariff and will end up paying more for their energy bill. Research by Victorian Energy Policy Centre found that households in the lowest socio-economic areas do not respond to differences in peak and off-peak prices.[[6]](#footnote-6) A study by ANU found that vulnerable households were the least well equipped to understand and respond to the different pricing structures, and often had the least flexibility in terms of shifting their electricity use to different periods, and ultimately paid higher prices for their electricity under time-of-use tariffs.[[7]](#footnote-7) Inefficient homes and appliances and need to use energy at certain times of the day for health reasons, are some of the reasons sited in these two studies. My research is needed to understand the impacts of a range of households of retail cost-reflective tariffs.

We argue that retailers should continue to **provide a choice** of retail pricing plans and therefore consumers should not be forced onto a retail tariff or defaulted to a retailer time-of-use or demand tariffs upon installation of a smart meter.

We note Retailers have expressed concerns about not being able to pass on the cost of cost-reflective tariffs imposed by DNSPs. We argue that **not all consumers would need to be on a retail cost-reflective pricing plan for the benefits to be felt more broadly** and therefore see no reason why network cost-reflective tariffs should not continue to be implemented despite not all consumers having a cost-reflective price plan.

We argue **greater effort is needed by retailers to support and educate energy users on how they can benefit from time-of-use or demand tariffs to encourage them to opt-in to these types of retail tariffs while enabling vulnerable customers who time-of-use tariffs will not benefit to remain on a flat rate or other beneficial plan.**

We recognise that cost-reflective tariffs can help deal with excess rooftop solar in the middle of the day, however, some customers who have solar may not participate because there could be some reduced revenue from their solar as a result.

Without further research on the implications of cost-reflective tariffs on a range of consumers, it is challenging to develop appropriate policies. People on low incomes are already paying disproportionately more for the energy transition and their energy bills, they cannot afford additional and avoidable costs.

We recommend that **retail** cost-reflective tariffs are opt-in, until a comprehensive review is done on the impacts of retail cost-reflective tariffs on consumers and solutions to mitigate impacts have been agreed upon and committed to.

**Recommendation 13: AEMC initiates a review (in collaboration with consumer groups, networks, retailers and the AER), of the impact of retail cost-reflective tariff reform on customers, in particularly vulnerable consumers. The focus should be on the interaction between network and retail tariffs, identifying additional actions required to ensure consumer retail choice is protected and improved, and identifying additional protections for vulnerable consumers.**

**Recommendation 14: Until the AEMC review of the impact of retail cost-reflective tariffs is completed and recommendations implemented, measures should be strengthened to ensure retailers are required to maintain choice of tariff structure for their customers i.e. consumers cannot be forced onto retail tariffs like time-of-use or demand management when network tariffs are changed and smart metering is installed.**

**Recommendation 15: With recommendations 13 and 14 in place, continue to implement network time of use tariffs charges to retailers.**

As noted in section 2.3, additional consumer protections are needed. For example, reforms are needed regarding remote disconnection (which are enabled with the installation of smart metering) for non-payment. Disconnection for non-payment results in further pressures on finances, health and wellbeing of people already experiencing hardship. Remote disconnection for the purpose of debt management should be avoided and should only be undertaken after retailers have demonstrated they have carried out all prior regulatory obligations and undertaken a site visit.

Further Disconnection protections under the National Electricity Consumer Framework (NECF) should be reviewed and strengthened to better align with disconnection safeguards under the Victorian Payment Difficulty Framework.

**Recommendation 16: Other consumer protections that should be implemented include:**

**16.1** **Life support customers cannot be disconnected remotely under any circumstances.**

**16.2** **Reform disconnection provisions to prevent remote disconnection for the purpose of debt management unless a retailer has demonstrated they have carried out all prior obligations and undertaken (or authorised a third party to undertake) a site visit. Disconnection protections under the National Electricity Consumer Framework (NECF) should be reviewed and strengthened to better align with disconnection safeguards under the Victorian Payment Difficulty Framework.**

**16.3 Smart metering complaints and handling be included in energy ombudsman schemes.**

**16.4** **National Energy Customer Framework (NECF) and Australian Consumer Law are regularly reviewed and modified to support customers in the purchase of new energy products and services.**

## 2.11 Access to Smart metering Services and Data

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| AEMC RECOMMENDATION* AEMC REC 18: Enable DNSPs to access power quality data from MCs.
	+ MCs must provide a new ‘basic’ data service, including current, voltage, and phase angle, and other data outcomes.
	+ Leaving ‘advanced’ data services to commercial negotiation, with clearer access rights and Pro-forma processes.
* AEMC REC 19: Preparing the market for near real-time innovations enabled by a critical mass of smartmeters – consumers being able to access real-time data, including potential pathways for:
	+ remote access to near real-time usage data through the retailer.
	+ local access to real-time usage data through the meter.
* AEMC REC 20: Addressing the potential risk of consumer’s privacy concerns

QUESTION 13: MINIMUM CONTENTS REQUIREMENT FOR THE ‘BASIC’ PQDSERVICE* Should the ‘basic’ PQD service deliver any other variables besides voltage, current, and phase angle?
* Does the ‘basic’ PQD service require any further standardisation, e.g., service level
* agreements? If so, where should these service levels sit?
* Should the Commission pursue a data convention to raise the veracity of ‘basic’ PQD?

QUESTION 14: UTILISING THE RIGHT EXCHANGE ARCHITECTURE FOR THE‘BASIC’ PQD SERVICE* Should the industry use the shared market protocol? If not, why?
* Should stakeholders exchange PQD directly, using NER clause 7.17.1(f)?
* If so, should the Commission prescribe this in the rules, or could this be by agreement between parties?

QUESTION 15: PRICES FOR POWER QUALITY DATA SERVICES* Is it sufficient for the prices for PQD services to be determined under a beneficiary pays model, especially with a critical mass of smart meters?
* Are alternative pricing models, e.g., principles-based or prescribing zero-cost access, more likely to contribute to the long-term interest of consumers?

QUESTION 16: REGULATORY MEASURES TO ENABLE INNOVATION IN REMOTEACCESS TO NEAR-REAL-TIME DATA SOONER* Do stakeholders support the Commission pursuing enabling regulatory measures for remote access to near real-time data? If so, would it be suitable to:

a. Option 1: require retailers to provide near real-time data accessible by the consumer in specific use cases (while allowing them to opt-out).b. Option 2: allow customers to opt-in to a near real-time service via their retailer for any reason.c. Option 3: promote cooperation and partnerships between Retailers and new entrants for near real-time data services, e.g., in a regulatory sandbox.* If so, could the Commission adapt the current metering data provision procedures?
* Are there any standards the Commission would need to consider for remote access? E.g., IEEE2030.5, CSIP-AUS, SunSpec Modbus, or other standards that enable ‘bring your own device’ access.
* What are the new and specific costs that would arise from these options and are they likely to be material?

QUESTION 17: REGULATORY MEASURES TO ENABLE INNOVATION IN LOCALACCESS TO NEAR-REAL-TIME DATA SOONER* Do stakeholders support the Commission considering regulatory measures for local access to near real-time data? If so, would it be suitable to:

a. Define a customer’s right in access the smart meter locally for specific purposes?b. Outline a minimum local access specification, including read-only formatting and unidirectional communications. Are there existing standards that MCs can utilise, for example, IEEE2030.5, CSIP-AUS, or SunSpec Modbus?c. Codify a process for activating, deactivating, and consenting to a local real-time stream. If so, could the Commission adapt the current metering data provision procedures?* Are there any other material barriers that the Commission should be aware of?
 |

There are still significant barriers to customers or third parties accessing the metering data and enabling the data to be utilised to improve the safety and efficiency of the energy system, better understand and incentivise efficient energy use, compare offers, and identify value-added services.

We are concerned that under the existing metering and data framework there is too strong a focus on the ‘commercial benefits’ of data, rather than a focus on what is appropriate to provide an affordable essential service in the interest of consumers.

There are significant benefits to be gained for customers, networks, retailers, and the energy system if access to essential data is provided at no cost.

We recommend that the data required by DNSPs, retailers and system operators to operate the energy system efficiently in the long-term interest of consumers should be defined in regulation and free.

That all other data related to the smart meter belongs to the consumer and not the metering entity/data provider. The consumer should be able to access, control and provide their data, including to an authorised third party, at the consumers discretion.

We make the following recommendations.

**Recommendation 17:** **The AEMC metering reforms reflect the purpose of metering in their data management and provision recommendations. This should include:**

**17.1 The AEMC define the data elements required by DNSPs, retailers and system operators to operate the energy system efficiently in the long-term interest of consumers. Ensure these elements are provided free as part of the metering responsibility.**

**17.2 Recognise all other data related to the meter is the property of the consumer and the consumer should be able to access, control or provide that data at their discretion.**

**17.3 Develop a process for the simple user-friendly provision of smart meter data to consumers.**

**17.4** **Enable access to smart meter services for consumers’ authorised representatives (third parties) in a way that upholds privacy protections and reinforces consumer access and control of data. This may require alterations to the Consumer Data Right processes and/or the creation of energy specific data protocols.**

## 2.12 Addressing short-term costs impacts and ensuring pass-through of benefits

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| QUESTION 18: ADDRESSING SHORT-TERM COST IMPACTS AND ENSURINGPASS-THROUGH OF BENEFITS* Are stakeholders concerned about the risk of short-term bill impacts as a result of the accelerated smart meter deployment? To what extent would the above offsetting and mitigating factors address this risk?
* If stakeholders are concerned about residual cost impacts, what practical measures could be put in place to address these risks?
* What are the implications for AER revenue determinations for the upcoming New South Wales, Australian Capital Territory and Tasmania DNSP regulatory control periods? Is there a risk that network cost savings as a result of the accelerated smart meter deployment will not be fully passed through to consumers under the regulatory framework?
 |

The AEMC Draft Report notes the Oakley Greenwood modelling had identified the potential for short-term costs to consumers before broader benefits flow through.

We have noted in a number of places where costs could potentially be reduced, including

* Bringing the target date for near-universal roll-out forward to 2027, which would result in further savings to networks resulting from fewer years doing meter readings, as well as earlier network benefits (see section 2.1).
* Restructure the industry so that DNSPs lead planning and implementation (see section 2.2).
* Requiring the metering provider to manage remediation through standards and guidelines (see section 2.5).

We have also noted that

* There should be no upfront costs for necessary upgrading or replacement of metering boards (i.e. where asbestos or other problems exists). There should be clear standard policy for how upgrades and replacements are done and acceptable costs. Costs should be recovered from homeowners over time. The AEMC should do more to facilitate jurisdictional solutions and consider a range of mechanisms for defraying upfront costs. This should include recovering remediation costs from the associated National Metering Identifier (NMI) over time. A subsidy for eligible low-income homes owners should be made available.
* There should be no upfront costs to individual consumers of installing smart meters. Costs should be transparent, regulated and paid for via delivery of service. Costs to consumers should be offset by efficiency gains and other benefits to the network/retailer.

In particular, as argued in section 2.2, returning smart metering deployment responsibilities back to DNSPs would enable:

* The cost of the accelerated deployment to be built into the regulated asset base over an appropriate appreciation period.
* The AER to require the DNSP to take into account the savings to the network of accelerated universal deployment of smart meters, in calculating the cost to consumers.

We believe this would be a more cost-effective way to manage the impact on consumers, lowering the overall costs to consumers in the short-term and long-term

**Recommendation 18:** **Address potential short-term costs to consumers of universal and accelerated smart metering deployment by changing the industry structure to require the DNSP to lead the planning and implementation and implementing recommendations above. Regardless of the responsible entity, meter installation costs and ongoing metering operation costs should be transparent and subject to regulatory oversight.**

## Contact

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# Appendix 1 - AEMC Options to deploy acceleration of Smart Metering

## Current method of metering deployment

Prior to 2015, network businesses were responsible for the installation and maintenance of energy meters. In 2015, the *Expanding competition in metering and related services rule (Competition in metering)* made extensive changes to the metering rules, transferring smart metering roles and responsibilities away from network businesses to retailers and metering coordinators.

The rather complex rules require multiple participants, with different roles and responsibilities (see figure 2). The rules allow any party that meets certain registration requirements to provide metering services. The retailer is the first port of call and is responsible for arranging the metering services for its small customers by engaging the metering coordinator. The Metering Coordinator (MC) will appoint a Metering Provider (MP) for metering installation and maintenance and a Metering Data Provider (MDP) for meter data activities. Distribution networks will need to enter into a commercial arrangement with retailers and/or metering coordinators to access metering services.

**Figure 1 Key roles and responsibilities of smart metering rollout in the NEM (except Victoria)[[8]](#footnote-8)**

## Options for accelerating the universal deployment of smart metering

The AEMC are proposing the following options to accelerate the universal deployment of smart metering. Their preference is option 1.

**Option 1 -** **Legacy meter retirement plan DNSPs:** retiring legacy (type 5 and 6) meters and replacing them with smart meters under an industry-developed plan. Under this approach, DNSPs would be required to work with key stakeholders such as retailers, metering parties and jurisdictional governments to develop and publish a plan to retire their legacy meter fleet in a transparent and orderly manner to support the universal uptake of smart meters by 2030 (the Plan). The Plan will need to be approved and outline a schedule of meter retirements to meet the target. The AER is likely to be best positioned to provide approval of Plans as an independent market authority and its role as the regulator. Meters will be progressively retired by the DNSPs in accordance with the plan and the retailers would be required to replace the retired legacy meters within a set time frame. Retailers would be required to report on their performance in undertaking meter replacements on a regular basis.

**Option 2** - **Legacy meter retirement by Rules or Guidelines**: retiring legacy meters and replacing them with smart meters via Rules or Guidelines. This option is similar to option 1 above with the key difference being the mechanism for retiring legacy meters. Under this option, the schedule for the retirement of legacy meters would be outlined either via the Rules or a subordinate instrument developed by either the AER or AEMO. The subsequent regulatory steps would be similar to option 1 with retailers being required to replace the retired meters within a certain time frame and reporting on meter replacement performance.

**Option 3 - Retailer target(s)**: requiring retailers to reach at least a given level of smart meter uptake in line with the acceleration target. Retailers would undertake additional deployments to deliver on the target and report their meter replacement performance.

**Option 4 -** **MC target(s):** requiring metering parties to reach at least a given level of smart meter uptake. Under this approach, all legacy meters will be deemed to have retired at a given time. Retailers would subsequently be required to appoint an MC within a certain time. Metering parties would also be required to report on their performance against the target.

1. When a new connection is made, the customer’s existing meter is due for replacement (lifetime of existing meters can be 50 years), or is faulty, the new meter must be ‘smart’ (an advanced meter with minimum specified capabilities), with the retailer and consumer not given any choice, i.e. a mandated rollout. Additionally, where a customer has installed solar PV and the meter is required to measure both imports and exports, a retailer will be obliged to install a smart meter. In addition to mandatory installation in the case of replacements or new connections, the rules take a ‘market-led approach’ (a) Retailers can choose which customers will be offered a smart meter, with the consumer free to accept or decline the offer; or (b) customers can request the installation of a smart meter; however, if the customer’s existing meter remains fit for purpose and is working accurately the retailer is under no obligation to fulfil the customer’s request. [↑](#footnote-ref-1)
2. Victoria has already rolled out smart metering and Tasmania is in the process of rolling out 100% smart metering. [↑](#footnote-ref-2)
3. Intellihub (2020) Intellihub group submission to technology investment roadmap discussion paper. [↑](#footnote-ref-3)
4. AEMC (2020) [Consultation Paper: Metering Services Review](https://www.aemc.gov.au/sites/default/files/2020-12/EMO0040%20Review%20of%20the%20regulatory%20framework%20for%20metering%20services-%20Consult%20paper%20FINAL%20v2.pdf) [↑](#footnote-ref-4)
5. A retailer could still request a meter to be installed at an earlier date at the request of a customer, but this would be done via the DNSP rather than the MC. [↑](#footnote-ref-5)
6. <https://vuir.vu.edu.au/40599/1/200612%20TOU%20tariff%20paper.pdf> [↑](#footnote-ref-6)
7. https://reneweconomy.com.au/time-of-use-electricity-tariffs-could-hit-vulnerable-households-with-high-costs-15074/ [↑](#footnote-ref-7)
8. Chandrashekeran, S, Dufty G and Gill M (2018) [Smart-er Metering Policy: Getting the framework right for consumer-focused smart meter rollout](https://geography.unimelb.edu.au/__data/assets/pdf_file/0007/2685643/Smart-er-meter-policy-230218.pdf). [↑](#footnote-ref-8)