

30 May 2024

Australian Energy Market Commission  
Level 15, 60 Castlereagh Street  
Sydney NSW 2000

Submitted at: [aemc@aemc.gov.au](mailto:aemc@aemc.gov.au)

ERC0378

Dear Sir/Madam,

### **Draft Rule Determination - Accelerating Smart Meter Deployment**

The Australian Energy Council (AEC) welcomes the opportunity to respond to Draft Rule Determination - Accelerating Smart Meter Deployment (the Draft).

The Australian Energy Council (AEC) is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. Our members collectively generate the overwhelming majority of electricity in Australia, sell gas and electricity to millions of homes and businesses, and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 percent emissions reduction target by 2035 and is part of the Australian Climate Roundtable promoting climate ambition.

#### **Issues remaining with Draft.**

The AEC broadly supports the draft determination. There remain several areas that will require further attention:

1. **Implementation schedule and rollout completion date:** The proposed 2030 Legacy Meter Retirement Plan (LMRP) will create significant increases in demand for resources, compounded by competing initiatives (such as Flexible Trading) and capacity constraints in the skills that are available such as IT, electrical trades, and back office. Oakley Greenwood considered the benefits that accrue to customers from a 2030 as opposed to 2032 completion date but were unable to quantify resource constraints.

The initiation of the ASMR from 1 July 2025 also creates significant risk to industry and places considerable pressure on participants, reflected in the need for industry to undertake consultation on B2M and B2B procedures concurrently with the rule drafting - an action industry has been driven to in order to provide a bare 6 months to analyse, develop and test significant system and process changes.

In light of this, we recommend the AEMC carefully consider the effective date of aspects of this and other initiatives such as Power Quality Data, Unlocking CER benefits through flexible trading and the suggested development of real-time data access. The AEC recommend the more prudent extended timeframe of 2032 for rollout completion.

2. **Site rectification:** Site rectification will inevitably delay the rollout. Incentives for premises to undertake site rectification to date have largely been a function of a requested a meter exchange to enable a CER installation. The mandated rollout means that may premises will not be receiving an apparent benefit from the installation.

3. **Vulnerable customers:** In the current economic climate, many more customers are seeking retailer assistance via their assistance programs, and a substantial rise in participation has occurred in the past year. The unexpected costs of site rectification for premises will require support from Government. Even customers who are not presenting for assistance are unlikely to have the discretionary budget to accommodate the costs of site rectification works at this time.
4. **Market procedures:** Numerous and complex changes are required to both B2B and MSATS procedures and their operational implementation in a compressed timeline. These new procedures are fundamental to the success of the meter deployment, particularly where single site fuses exist and will be subject to the “one in - all in” regulation.

Additionally, we suggest that inserting the date of retailer notices in MSATS incurs unnecessary costs of development and ongoing transactions. The date of retailer notices is not required if MSATS shows the date that the metering party first identified the site defect. The process of sending retailer notices about the site defect can be initiated by and completed by any retailer using this initial date.

As per our notes on the implementation schedule and completion date above, a delay in the completion date can be readily anticipated and it would be prudent to consider this now.

5. **Customer experience:** The 30-business day notification period for retail price changes following a LMRP exchange should logically be back-to-back with DNSP notifications that the network tariff will change. A retailer is obliged to install a meter for a connection alteration within 15 business days, but the customer may have to wait an additional minimum of 15 business days before receiving the benefits of their solar generation, leading to an outcome where the 30 business days notification of a tariff change may detrimentally affect a customer who installs solar. Poor experiences with network tariff changes to date have been widely reported in the media.
6. **Reporting and compliance:** The purpose and objective of reporting requirements seems to have been overtaken by an objective of data collection, and there may be a more efficient way to collect and collate data than the retailer performance reporting framework.

AEMO has all the data that the AER requires, including but not limited to the:

- National Meter Identifier;
- Meter type;
- Change request type and dates;
- Current and incoming financial responsible Market Participants;
- Metering Coordinator, Metering Provider and Metering Data Provider;
- The DNSP; and
- The LMRPs.

The AER can use the AEMO source to monitor individual retailer’s performance against targets. Should the AER require further information from a specific retailer, because for example they have not met or are not anticipated to meet an LMRP interim target, then this is a relatively easy exception to obtain.

Finally, we acknowledge that monitoring the rollout of smart meters to all customers by July 2030 is necessary to enforce the civil penalty provision. However interim period obligations reporting should also permit some flexibility for retailers in each of the annual period of

replacing meters allocated under the LMRP, as many external factors may delay or impact the interim annual deployment of meters.

Please contact the undersigned at [David.Markham@energycouncil.com.au](mailto:David.Markham@energycouncil.com.au) should you wish to discuss.

Yours sincerely,

**David Markham**  
Australian Energy Council