

Ms Jessica Robinson  
Independent Pricing and Regulatory Tribunal  
Haymarket, NSW, 1240

By email: [http://www.ipart.nsw.gov.au/Home/Consumer Information/Lodge a submission](http://www.ipart.nsw.gov.au/Home/Consumer%20Information/Lodge%20a%20submission)

31 July 2018

### **Retailer meter installation practices in NSW**

The Australian Energy Council welcomes the opportunity to make a submission to the Independent Pricing and Regulatory Tribunal (IPART) review of Retailer meter installation practices in NSW.

The Australian Energy Council (AEC) is the industry body representing 21 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

The AEC appreciates the concerns expressed by Don Harwin MLC, NSW Minister of Energy and Utilities, regarding the transition to metering competition from 1 December 2017. The transition has not been without its teething problems. The AEC submission will inform this consultation as to those industry initiated measures that are currently underway to improve the customer experience. In this submission AEC will not be addressing individual retailer performance or retailer processes. Retailers themselves are best positioned to unpack the operational intricacies of their own practices.

Competition in metering will deliver, as competition does in other sectors of the Australian economy, incentives for electricity retailers to optimise efficiency, improve service, develop products that meet customer needs and achieve lower costs so they are competitive. Like other competitive consumer markets, competitive retail electricity markets are best placed to facilitate the development and deployment of new metering technologies to customers.

### **Issues with the Post Power of Choice Rules Framework**

Since the commencement of metering competition in December 2017, retailers have identified aspects of the new arrangements where they are constrained in providing customers with the same level of customer service and flexibility with respect to planned interruptions for a meter replacement than was previously provided by the DNSP.

This has resulted in a negative impact on customer experience giving rise to customer complaints to retailers, and in a limited number of circumstances, escalated complaints to jurisdictional Ombudsman.

The AEC convened a Post Power of Choice Committee, comprising Retailers, Meter Co-ordinators and Meter Providers to address various issues in the Rules and the procedures, to ensure that customers are provided with the best level of service and flexibility with respect to the provision

and installation of their electricity meter, without compromising on other key considerations such as safety and risk.

A list of the current work program of this Committee is set out below:

Issue	Description
<b>Meter churn</b>	The meter exchange process could be more efficient if there wasn't a delay between nominating the MC in MSATS (CR6800) and then the remaining roles.
<b>Local Disconnections to be done only by DBs</b>	MCs are explicitly prohibited from local re-ens and de-ens by the NER. This is contrary to expected practice (in the B2B Guide) and is inefficient, especially until remote services of energisation and de-energisation are allowed. It is particularly problematic for type 4A meters because co-ordination is required between the MC/MP and the DNSP because the MC/MP needs to take the final read before the DNSP disconnects supply.
<b>Planned interruption notification</b>	Planned interruption notification (PIN) requirements are creating poor customer outcomes. It adds to longer lead times and means a customer-initiated meter exchange cannot occur when the customer requests or requires it (eg. a no hot water scenario may require an immediate meter exchange). It also means that attempted re-installs due to access or other problems must be spaced at least 4 business days apart, whereas the MSP should be free to retry when either the customer requests or when it is more efficient, such as the next day.
<b>Multi-Occupancy</b>	While there is a defined process and B2B arrangements for multi-occupancy premises, as more meters start to be replaced, the likelihood of consumers in these situations having their power interrupted multiple times in a short space of time increases. There is a significant number of these complex arrangements that have been escalated in an effort to resolve them.
<b>Access to Locked Meter Boxes</b>	Locked meter boxes - key issue - Needs co-operation from DNSPs but is a bigger issue for MSPs. The AEC has approached the ENA to assist in coordinating a uniform DNSP approach to access.

<b>Test/compliance information for metering</b>	<p>Information about when these assets (eg LV CTs) were last tested is critical for MSPs because of mandatory testing windows. MSPs and retailers would benefit from some of this information being stored in MSATS. Test dates at a minimum.</p>
<b>Indication in MSATS of de-en method</b>	<p>Can MSATS contain a flag that shows if a meter was de-energised remotely (allowing the existing or new FRMP/MC to detect whether a remote re-en can be done or not.</p>
<b>Customer Refusal of Smart Meters</b>	<p>Customer refusal of smart meters - what to do if a meter fault happens (i.e. meter has to be replaced)? The Rules and AEMO procedures do not presently permit exemptions for customer refusal. A rule change to NER chapter 7 would be required to allow this.</p>

### Initiating Rule Changes to improve the customer experience

The AEC has submitted to the AEMC a proposed rule to improve the customer service experience associated with the replacement and installation of a new meter at the customer's premises, and to better reflect the new roles and responsibilities of the new market participants. The AEC proposal recommends a number of improvements to the existing rules associated with:

1. Providing customers with the ability to nominate a preferred time for the replacement of their meter;
2. Amending the timeframes for the repair or replacement of a malfunctioning meter to reflect the coordination obligations of new market participants with respect to a meter replacement;
3. Providing customer with the ability to determine how they wish to be engaged as part of a smart meter deployment;
4. Providing life support customers greater clarity regarding who to contact with respect to an emergency; and
5. Allowing the application of negotiated planned interruption notification provisions to large customers.

This rule change proposal can be found at <https://www.aemc.gov.au/rule-changes/metering-installation-timeframes>

The AEC has also now submitted to the AEMC further rule change, to both recognise an MC who has been nominated in the market but who has not yet taken responsibility for a metering installation, and to clarify current processes that lead to confusion and delays. These occur where:

1. The newly appointed MC must take on liabilities and responsibilities for a meter and metering services which it does not own or control; and
2. There are no commercial arrangements between the parties, there is the risk that one or either may reject the appointment of the other.

The proposed Rule Change will achieve two key outcomes:

1. The nomination of the new MC will not change the obligations and liabilities the incumbent MCs have for their own MP's metering assets while those assets are in use at a metering installation; and
2. The selection of a new MC by the Retailer / Large Customer will not be limited by the arrangements that MC's may or may not have with other MP/MDPs.

This will ensure clarity between the retailer and the incumbent MC/MP/MDP for the provision of metering services at a connection point.

The AEC will also shortly submit further rule changes to address the prohibition on MCs from undertaking at site (local) re-ens and de-ens. This prohibition is inconsistent with expected practice (in the B2B Guide) and is inefficient, especially where use of remote disconnection and reconnection services is not allowed, such as in NSW.

### **Remote Services (Remote re-energisation and de-energisation)**

Smart meters have a number of innovative characteristics, including being able to provide connection (re-en) and disconnection (de-en) services remotely. The AEC acknowledges that there are some small risks associated with these remote connection and disconnection services and as the peak body representing retailers and the competitive metering industry. The AEC took the initiative to address safety requirements associated with remote services with smart meters and consulted with expert stakeholders and respected engineering firm GHD to conduct a thorough and independent [Risk Assessment](#). In their Risk Assessment GHD applied their Semi Quantitative Risk Assessment (SQRA<sup>®</sup>) methodology, and produced a study that informed the risk based input into an industry code of practice for remote services with smart meters.

The digital metering rollout inevitably requires a change to business and operational practices of electricity retailers to accommodate it. All AEC member retailers, and Competitive Metering Industry Group (CMIG) Meter Coordinators and Meter Providers use this [Industry Code of Practice](#) for remote services with smart meters.

A significant benefit from Power of Choice reforms will not be realised until regulators allow remote re-en and de-en. Jurisdictional approaches vary, but NSW has recently legislated against remote services until mid-2019, which is problematic for both the industry and for customer service expectations.

### **Defect Management**

The Competitive Metering Industry Group (CMIG) is provided secretariat services by the AEC. It is working toward producing a draft [Code of Practice](#) for the safe installation of whole current meters. The objective of the code is to create consistent metering industry practices around the electrical tests and inspections carried out when meters are installed or replaced along with a consistent approach to managing defects when the tests and inspections identify issues.

At the initiative of CMIG, they, energy retailers and jurisdictional safety regulators are working toward the establishment of effective processes to resolve electrical defects when meters are installed or replaced in the new competitive environment, aspects of work previously undertaken by DNSP's under their old remit.

Multi stakeholder workshops have been convened by CMIG and the AEC to explore defect management processes in both Brisbane and Sydney so as local jurisdictional regulators and other relevant stakeholders may attend. Once the processes are agreed and established, it is anticipated a Code of Practice will be completed and published.

### **Isolation issues**

Isolation issues typically arise from legacy metering arrangements put in place by the DNSP under regulations that were permitted at that time. Today, in a world of competitive metering, the added cost and time delays related to isolation at these sites to allow for meter installation is material. The CMIG has initiated a paper on [Isolation Issues](#), and will be addressing the matter with stakeholders. These issues are particularly problematic for what is known as multi occupancy sites.

### **A competitive future**

The transition in the energy sector brings with it a range of technical and regulatory challenges to ensure energy reliability and reduce the risk of poor customer outcomes. The AEMC has noted these challenges in its 2018 Review of Retail Energy Competition in the NEM (NEM Market Review), which reflected on the inconsistent regulatory treatment and experience that customer's face. It should be noted that the technical and operational issues arising with metering competition are being actively considered by Council of Australian Governments Energy Council (COAG EC) the AEMC and industry.

Broadly speaking, retailers and the metering industry have sought to be proactive in addressing the reasons for delays, developing their own initiatives and measures to reduce delays, and addressing the barriers to overcoming these delays. The AEC will continue to coordinate as necessary the retailer responses to industry issues.

We acknowledge that there has been some unsatisfactory customer experience. However we believe there's a positive case to be made for the way this large scale implementation has been managed to date, and is improving. The review needs to be in context of the significant volume of transactions in the biggest customer facing change since the introduction of full retail competition.

Any questions about our submission should be addressed to David Markham by email to

Yours sincerely,

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