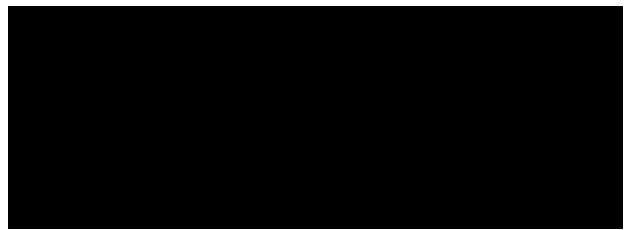


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Retailers' meter installation practices in NSW

Submission by [REDACTED]

To whom it may concern.

We are an electrical contracting company that has been in existence for 52 years. We became involved in the Authorised Service Provider Scheme when it was first introduced, some 20 years ago as a Level 2 Grade A Service Provider.

Our business invested many tens of thousands of dollars over this time to grow and facilitate our Level 2 works and to also provide the best service and experience for our customers. We have formed a close working relationship on a local and management level with both Essential Energy and Origin Energy.

The benefit of participating in the scheme is firstly it gives our business a point of difference to our competitors. Secondly, we offered our customers a complete service, that is not only the base electrical works but also the connection (or disconnection) of power to the property, the installation or alteration of metering and ultimately the commissioning of the electrical works in total.

To facilitate and streamline these processes, our business invested in plant and equipment, staff and training, software and stock level management. There is also twenty years of on the job training and experience gained only by being in the field and interaction with the Energy Distributors and customers. This is invaluable.

This experience and also our ASP status also gave us the opportunity to advise our customers of unsafe electrical wiring, give advice on tariffs and energy savings and to also identify and repair potentially life threatening or fatal non-compliant electrical works. We also on many occasions identified criminal activities and subsequently worked with the Authorities in these cases.

The East Coast of Australia and particularly the Northern Rivers and South East Queensland recently experienced a massive natural disaster brought on by the remnants of Cyclone Debbie. This was the biggest flood event in recorded history and devastated our towns, not only through loss of property but also the social and economic destruction which was immense.

During the aftermath of this disaster our business (and other Level 2 ASPs) worked side by side with Essential Energy, the SES and also other non-government organisations to restore power to homes and businesses. Our team performed hundreds of inspections, replaced over 120 switchboards and also installed new metering, replacing metering that was inundated and faulty. Other works included the re-instatement of overhead services, replacement of poles and underground connections. Many homes were occupied by the elderly or socio-economic disadvantaged and these people are the most at risk of becoming destitute. Businesses that are the soul source of income for employees were put back into operation within a matter of days, so that they could get back on their feet. Metering and equipment was supplied by the Energy Distributor, they had flown in emergency stock when all other supplies were exhausted.

If that disaster was to have happened after the 10th of December 2017 I can only imagine what the complete and total debacle would be. Businesses would collapse waiting for power and metering services and residential properties would be abandoned. In the Richmond and Tweed Areas this would be thousands of people homeless and hundreds of businesses

[REDACTED]

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(and thousands of jobs) lost. Without the help of Level 2 Authorised Service Providers the already immense social and economic scale of the disaster would have been multiplied many times over.

The provision of metering and skilled electrical services in the times of natural disaster needs to be very carefully considered. ASPs are abandoning the scheme and Energy Distributors are shedding staff. There are now only a relatively small and dwindling number of skilled individuals able to provide these services.

When the dismantling of the ASP Scheme was first talked about one of the reasons that was given was that there was a *perceived existing barrier to the market-led roll out of smart meters*. This was from consultation paper titled 'Smart meters: Removing regulatory barriers and maintaining consumer safety for a market-led roll out of smart meters in New South Wales'

The AER wanted smart meters rolled out, with haste, to come in line with national metering practices. The paper never really stated what the perceived barriers were but it inferred that the existing ASP framework would not deliver the outcomes and the time frames that the AER wanted.

It also stated that the rollout of smart metering will give consumers more control over how they use energy which apparently leads to energy savings. One could argue that for 90% of businesses they cannot change their business hours nor can they change when and how they use their energy.

What has happened in reality is that metering isn't rolled out with any sort of haste. There are many instances in my experience where customers have waited 4 months to get metering installed.

We recently completed a large commercial job for the NSW Department of Roads and Marine Services.

The order for metering was submitted in January. The building was completed in April, it is now vacant and unused until the Energy retailer, Origin, install the metering. The Builder is now waiting for final hand over and payment, all of the other trades and services cannot finish their final commissioning until power is connected, so these businesses are waiting for final payments as well. The client has paid for a building they cannot use.

I have residential customers who cannot have smart metering installed as there is no 3G or 4G service available. This is a requirement for smart meters. These customers need new metering due to the end of the Solar Bonus Scheme. These customers are losing money by not enjoying the benefits of Net metering. I advise them to contact the Energy and Water Ombudsman at every opportunity as there is no way past the impasse that currently exists. I have customers with recently completed new homes that have been waiting for 4 months to get metering installed by their retailer. They are living off generators and the generosity of neighbors who have passed extension leads over fences so that these customers can have some half decent quality of life. These are young families, they have invested every cent that they have, they can't live elsewhere. They have children at school who cannot complete homework.

I have other works in progress, two in particular are commercial building with multiple tenancies that are being renovated. The metering is to be altered and relocated, in both cases to new locations, as per the requirements of Australian Standards. We have no way, with any sort of confidence, to finalise the metering, to collect NMI Numbers or get new NMI Numbers created and we have no way of getting any retailer to provide the metering services that are required. There are multiple retailers at these sites and some new metering sites that need to be created. We are at a loss as to how to proceed.

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Prior to December 1 2017, we would have completed all of these works, without fuss, with a long established and working process that delivered outcomes on time to our customers. What we have now is uncertainty, loss of revenue, loss of confidence and loss of jobs.

Prior to the 1st of December 2017 our business enjoyed a revenue of some \$200,000 per year from our Metering Services.

This revenue includes not only the income raised directly from the installation of metering but also the other opportunities that arise from the inspection of electrical installations whilst at these sites.

This includes work such as the replacement of fuses with circuit breakers and safety switches, missing or damaged earthing, complete refurbishment or replacement of switchboards, re-wiring of dwellings, problem solving complex issues with metering and separation of tenancies and providing complete services for property managers and body corporates.

Our business was approached by Origin Energy and Also AGL to become accredited metering installers in September 2017. These organisations told me that they would engage our company to install metering. The accreditation process included days of training plus the purchase of new and expensive test and commissioning tools and equipment. We attended the training and completed the accreditation processes. We have not received one single job from Origin Energy and have since learned that Origin have chosen to use a large national metering services provider instead of what we were promised. We have received only one job from AGL, and this is from a process that I instigated with one of my customers. These two accreditation 'schemes' cost my business some \$5000. The return on investment, zero.

I understand the need for change and also the need for business to constantly source revenue opportunities when they arise, as we did 20 years ago. The changes to the ASP Scheme and the roll out of Smart Metering has had far greater impacts than simply the loss of some revenue. It is costing business many millions of dollars, there is the social and electrical safety impact as well. What was once a well-managed and successful scheme has overnight been destroyed and, in its place, a third world process where market forces and lack of government regulation run rough shod over the general population.

Yours faithfully,

[REDACTED]