



public interest
ADVOCACY CENTRE

(Kilo)meters short of expectations

**PIAC submission to IPART's Review of electricity
retailers' metering practices**

2 August 2018

About the Public Interest Advocacy Centre

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in Sydney.

Established in 1982, PIAC tackles barriers to justice and fairness experienced by people who are vulnerable or facing disadvantage. We ensure basic rights are enjoyed across the community through legal assistance and strategic litigation, public policy development, communication and training.

Energy and Water Consumers' Advocacy Program

The Energy and Water Consumers' Advocacy Program (EWCAP) represents the interests of low-income and other residential consumers of electricity, gas and water in New South Wales. The program develops policy and advocates in the NSW energy and water markets. PIAC receives input from a community-based reference group whose members include:

- NSW Council of Social Service;
- Combined Pensioners and Superannuants Association of NSW;
- Ethnic Communities Council NSW;
- Salvation Army;
- Physical Disability Council NSW;
- Anglicare;
- Good Shepherd Microfinance;
- Financial Rights Legal Centre;
- Affiliated Residential Park Residents Association NSW;
- Tenants Union;
- The Sydney Alliance;
- Solar Citizens; and
- Mission Australia.

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Public Interest Advocacy Centre



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The Public Interest Advocacy Centre office is located on the land of the Gadigal of the Eora Nation.

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Review of electricity retailers' metering practices in NSW

PIAC welcomes the opportunity to submit to IPART's Review of electricity retailers' metering practices in NSW (the Review).¹

Digital metering is an important enabling technology which is necessary for the 21st century electricity system. PIAC agrees with NSW Energy Minister Don Harwin that the introduction of digital meter technology can bring benefits to consumers. These benefits include helping consumers manage their electricity costs, aiding the adoption of distributed energy resources and facilitating more efficient network tariff structures.² A broader roll-out of digital meters may also enable a more efficient energy system overall through more efficient integration and utilisation of distributed energy services and deeper visibility into the distribution network to allow more efficient planning and operation of the network.

An effective rollout to all consumers is required to achieve this. PIAC is concerned that this has not happened since retailers took over responsibility for metering on 1 December 2017.

This submission outlines three particular areas of concern for PIAC:

- That consumers are suffering significant delays in meter installation, and that this is a particular concern for vulnerable consumers and those in regional and remote NSW;
- That retailers are not meeting consumer expectations regarding the services provided by a digital meter; and
- That poor communication with customers exacerbates both these issues.

Recently, the Australian Competition and Consumer Commission (ACCC) released the final report from their Retail Electricity Pricing Inquiry.³ In this report, the ACCC noted that if the digital meter rollout does not occur at a suitable pace, "further government intervention may be necessary".⁴

Given PIAC's concerns, the number of complaints directly from consumers and the ample time retailers have had to address them, PIAC contends that intervention is required. Without this, we do not consider that all NSW consumers will have access to the digital metering services they want in a timely and affordable manner.

Installation delays

PIAC notes that Minister Harwin has "heard reports of delays in meter installation".⁵ PIAC has received similar reports.

Broadly, meter installation delays appear to fall into two categories:

¹ IPART, [Retailers' meter installation practices in NSW](#), May 2018.

² Don Harwin MLC, [Letter to Dr Peter Boxall AO](#), 7 May 2018, 1.

³ ACCC, [Restoring electricity affordability and Australia's comparative advantage](#), June 2018.

⁴ Ibid, 190.

⁵ Don Harwin MLC, Letter to Dr Peter Boxall AO, 1.

- Retailers stating up-front to consumers that they are unable to install meters in a timely manner (disclosed delays); or
- Retailers committing to providing a new meter but the process of installation takes considerably longer than is expected (undisclosed delays).

PIAC recently conducted a ‘mystery shopping’ survey of various retailers operating in NSW. We enquired specifically about their digital metering options. This research was completed in February 2018 and was part of an investigation of the levels of innovation in the NSW residential retail energy market.

When asked about digital meters, many retailers responded that they did not offer this service and suggested waiting for the NSW Government to roll them out for free at some point in the future. Others stated that while they did offer digital meters, there would be a delay of months until they could be installed. A small number of retailers offered digital meters through third parties, usually at an estimated cost of \$200-\$300. Powershop proved to be an exception, offering free digital meters to new customers.

PIAC has also received reports of delays that are not initially disclosed to consumers when they enquire about meter installations. This is often more frustrating for consumers, because they are promised a new meter only to have installation delayed beyond what was agreed.

In 2017, the Alternative Technology Association (ATA) asked their members to contribute their experiences of meter installation across the NEM.⁶ In NSW, ATA found that many consumers were disappointed with undisclosed delays in meter installation. For some ATA members, delays were particularly inconvenient as existing gross meters had to be replaced with new digital meters in order for households to use their own solar generation following the end of the NSW Solar Bonus Scheme. Therefore, these households were unable to realise the benefits of self-consuming their solar generation.

For example, an ATA member in inner Sydney said:

AGL was supposed to install net meters for everybody for free before June 2017 (I think). Their electricians turned up one day to do mine (inner Sydney, two phase grid power, 1.5kW solar grid-connect) in 2/17 but the meter was physically too big for my meter board. They promised to return with the correct meter but never did.

I subsequently rang AGL many times over the next six months and managed to get changed to their cheapest tariff but eventually was told that their electricians had finished in my area and that there was no expected date for the job and that if I arranged for one of their selected electricians to do the change over (at my expense), AGL would provide a meter free.

At this point (8/17) I signed up with EnergyLocals who charged me \$100 up front for the re-metering but there was a money-back guarantee that it would happen within 4 weeks of my becoming a customer...I am on a standard contract with \$50/month up front prepayment electricity charge with bill resolution every quarter (?). Probably not as good a deal as I might

⁶ The full list of anonymised NSW responses is attached as Appendix One, not all report bad experiences.

have got elsewhere but there is no exit fee and I just wanted to get the meter in and be done with AGL.

While a regional NSW consumer reported that:

We were told a smart meter was coming ages ago and when nothing happened I made an enquiry . Not long after we received a phone call telling us that the installer had tried to install but didn't have enough information re our address. The meter was finally installed, and there's even been someone come to check that it's been installed, but no information on how to read it.

While these case studies are from before 1 December 2017, PIAC understands that many of the same issues are still affecting NSW consumers.

Anecdotally, PIAC has heard from NEM participants that some delays are due to the complexity of coordinating between retailers, distribution businesses, metering providers and metering coordinators. Participants have noted that because meter installation requires input from each of these businesses under the new system, it can take longer than expected to complete the work.

PIAC acknowledges that coordination between businesses does take time. This may be particularly challenging for second and third tier retailers, who do not have the same resources to dedicate to these relationships and processes as AGL, Origin Energy and EnergyAustralia.

However, we consider that it should not still be causing significant delays in installation. The Australian Energy Market Commission made its final *Expanding competition in metering and related services* rule on 26 November 2015, more than two years before the 1 December 2017 implementation date.⁷ While the introduction of contestable metering was a big change in the market, PIAC contends that retailers have had sufficient notice to establish effective systems for coordinating between metering entities, particularly given that they advocated to be given the responsibility in the first place.

That retailers appear not to be able to deliver digital meters in a timely manner indicates that metering contestability is not working to the benefit of consumers.

Recommendation 1

PIAC recommends that IPART investigate and address both disclosed and undisclosed delays in meter installation.

This is of particular concern for vulnerable consumers and those in regional and remote NSW. Retailers may be less willing to actively offer digital meters to these consumers in a timely manner, even if they are able to address installation delays more generally. In PIAC's experience, retailers are often reluctant to offer market contracts to these consumers because they associate them with lower returns; vulnerable consumers may require extra support costs through call centre staff and hardship programs, while acquisition and retention costs are spread over low-density customer bases in regional and rural areas. PIAC considers it likely that this reluctance would also be the case for metering services.

⁷ AEMC, [Expanding competition in metering and related services](#), November 2015.

As noted previously, it is essential that all consumers are able to benefit from the timely roll-out of digital meters. It is not a fair, equitable or efficient outcome if sections of the community are left behind in this transformation of the energy system. As such, PIAC considers that, in addition to measures to address the broader delays in the digital meter roll-out, specific provisions and protections are required to support consumers. In particular, we recommend that a ‘metering provider of last resort’ scheme be introduced to ensure that consumers are able to access digital metering services in a timely and affordable manner where they are not being adequately served by the competitive market.

Recommendation 2

PIAC recommends that a ‘metering provider of last resort’ scheme be introduced to ensure equitable access to digital metering services for all NSW consumers.

Service availability

PIAC recommends that IPART investigate whether retailers are meeting consumer expectations with what services digital meters provide. While PIAC has not done a systematic assessment of how smart meters are promoted to consumers, we are concerned that consumers may not be receiving the services they expect from their new digital meters.

Recently, we have received reports that consumers expected that installation of a new meter would allow for ‘back to base’ remote reading, negating the need for a meter reader and therefore avoiding estimated bills when readers were unable to gain access to the meter.

However, this is not always the case. Not all digital meters are fitted with the required communications technology to be read remotely. This misunderstanding left consumers confused and frustrated after they received their meter.

PIAC considers that this may be symptomatic of a wider problem where consumers are either uninformed or misinformed about the availability of particular services digital meters can provide and contends that IPART should investigate this possibility as part of the Review.

Recommendation 3

PIAC recommends that IPART investigate whether the full range of potential services is being offered and whether consumers needs and expectations are being met as digital meters are installed in NSW.

Customer communications

Underlying both installation delays and expectations about service availability is the need for best practice customer communication.

The centrality of effective communication in achieving good consumer outcomes through metering is evident in the experiences of ATA members. In both examples noted above (and others in the Appendix), NSW consumers were not only subject to delays in meter installation, but also frustrated by the lack of communication from their retailers.

The same is inherently true regarding consumer expectations. PIAC contends that if retailers communicated effectively with customers they could remove the confusion that appears to exist about the availability of digital meter services.

Recommendation 4

PIAC recommends that IPART consider how poor customer communications is contributing to both installation delays and service expectation issues and recommend corrective action.

Appendix – ATA NSW Member Case Studies

This appendix contains unedited, anonymised emails from Alterantive Technology Association (ATA) NSW members. These consumer stories were collected by ATA as part of a project funded by Energy Consumers Australia (www.energyconsumersaustralia.com.au) as part of its grants process for consumer advocacy projects and research projects for the benefit of consumers of electricity and natural gas. The views expressed do not necessarily reflect the views of Energy Consumers Australia.

The responses are included with ATA's permission.

#1

I saw the note today asking about Smart Meter installs, we have literally just had one done so I thought I'd share our experience.

We built a house about 7 years ago in Sydney which included a time of day (but not "smart") meter which was excellent with our electric car charging at low rates at night. In Jan 2016 we switched retailers to Powershop to support innovation in the market

Powershop sent us the attached email in May this year, you can see the details and wording there, no cost, no contract change. The installer contacted us by phone about 6 weeks ago and the actual install happened last Thursday. The physical work was straightforward and included an outage of about an hour, all the work seems tidy and professional and there have been no issues evident since. Powershop then sent us the second email yesterday confirming install was complete and that it would take up to 5 weeks to be active.

From our point of view there has been no issue from the changeover, and I expect to benefit from more detailed and accurate data for things like solar sizing.

So there you go....one happy story to share.

Regards,

#2

We always appreciate the research done by ATA - the prime team and the members - so we are happy to share our experience.

Basically, in short, it is a story of an installed smart meter not being the basis of "billing", except in quarterly blocks retrospectively... like the oldest of manually-read analog meters!!

The story.

We had applied passive solar to domestic redesign projects, and researched sustainable design and alternative energy, from the mid-seventies. As we approached retirement age, despite being committed lobbyists for going beyond fossil fuels, and installing multiple solar HWS systems and our own PVs, we were late departing from Origin energy and fossil electric energy. Heavy work commitments to a second almost-full-time working project beyond the demanding professional "day job" did not leave enough "research resources" (brain space).

In 2016, when Origin offered a "free" smart metering installation, we asked for that, anticipating our installation of more PVs and a domestic battery system. After some months, a third party installed the meter. We are in Southern coastal NSW area, but the electrician came from western Sydney (and not happy he was!).

Shortly after the new metering, (a) we switched to energy supplier Powershop, based on their history of investing in renewables, and supporting local feed-in, and (b) we signed up for added PVs and a Tesla-2 battery system through a Sun-crowd bulk-buy, with Sunny Afternoons to contract local installers.

Still waiting for the extra PVs, we have been pre-purchasing Powershop energy, but could never match my meter observations with the Powershop "billing". After some months, we were sent a totally revised billing which "reversed out" all the previous statements of use and substituted a new set. When this was queried, we learned that the third party meter company (used by Origin) was only reporting quarterly to Powershop... like the oldest of manually-read analog meters!!

We have now arranged with Powershop for them to install their own smart meter, so they can report facts rather than fantasy. At this moment we are waiting for that re-installation to reach current scheduling (too high demand) AND still waiting for the extra PV array and battery (delay in Tesla and long queue of solar buyers). Maybe it will all come together at the end of this month....

Living in hope.

#3

AGL was supposed to install net meters for everybody for free before June 2017 (I think). Their electricians turned up one day to do mine (inner Sydney, two phase grid power, 1.5kW solar grid-connect) in 2/17 but the meter was physically too big for my meter board. They promised to return with the correct meter but never did.

I subsequently rang AGL many times over the next six months and managed to get changed to their cheapest tariff but eventually was told that their electricians had finished in my area and that there was no expected date for the job and that if I arranged for one of their selected electricians to do the change over (at my expense), AGL would provide a meter free.

At this point (8/17) I signed up with EnergyLocal who charged me \$100 up front for the re-metering but there was a money-back guarantee that it would happen within 4 weeks of my becoming a customer. Formway installed an EDM1 meter model MK10D (with 0241 programming) in 9/17

(4 weeks plus the 10 working day cooling off period).

I am on a standard contract with \$50/month up front prepayment electricity charge with bill resolution every quarter (?). Probably not as good a deal as I might have got elsewhere but there is no exit fee and I just wanted to get the meter in and be done with AGL.

#4

We were told a smart meter was coming ages ago and when nothing happened I made an enquiry . No long after we received a phone call telling us that the installer had tried to install but didn't have enough information re our address. The meter was finally installed, and there's even been someone come to check that it's been installed, but no information on how to read it.

Regional NSW

#5

my name is xxxx xxxx. i buy electricity through powershop. my experience has all been positive, no contract, installed on time before 31/12/2016. negative no electricity costs before 1/1/2017 to monthly cost of on average 60 - 80 dollars since.

all the best,

Regional NSW

#6

We were not required to sign any contract to get a smart meter - we went through an online process to request one from Powershop (<http://www.powershop.com.au/smart-meter-request/>). There didn't seem to be any special terms and conditions - they state up front that if there is any unexpected installation cost they will get in touch before proceeding.

It took a lot longer than expected, perhaps 5 months from the initial request. No fees were paid. The process was quite easy, aside from having to follow up due to the delay. The retailer offered smart meters in their newsletter, but it was an opt-in request.

One item of note is that there is no ongoing charge for access to comprehensive usage data (in 30 min blocks). I've since been made aware that other retailers charge a subscription cost to access a portal giving the customer their own usage data.

Please don't hesitate to contact me if you would like any further information regarding our experience.

[I'm located in Northern inland NSW. I'm pretty sure I got in right at the start of the Powershop program. I'd like to think they've streamlined it a bit in terms of scheduling since :)]

#7

Took me almost five months to get a usable smart meter at my residential premises in regional NSW after the 1-01-17 shut-off of NSW SBS.

According to Origin/Essential it was due to my having 3-phase power (previous usage of a shop with large coolroom) and not having any idea what to do about such an install. (My interpretation of their effing around).

First tech subbie who arrived said 'can't fit it in the meter box'.

Contacted my local authorised certified installer who said, basically, bollocks to that. So I double checked the specs and Origin's own published "space availability requirement" for the nominated meter, and it WOULD fit, so rang them back and said get it happening.

This time, the same idiots came back and - lo-and-behold - were able to make it fit. Morons.

At the next bill cycle (five weeks later) I noticed the billing showed some bizarre readings that - it later transpired - were caused by the fact that the idiots had mis-connected it and it was not reading exports, which upset the smart meter electronics and caused it to show weird (but, eventually, understandable) readings.

Ten days or so after this the local (my preferred choice) sparkie turned up and was able to re-configure the meter so it now (hopefully) will be measuring net exports.

I'm now waiting for the next bill cycle to argue the point regarding compensation for lost income from exports, but they did agree to upgrade me first from 10c/kW exported (while waiting for a meter to be specified) then to 15c/kw exported (after the misconnection effort), which I believe is way better than the 8c/kW others are reporting they're getting.

So, basically, the switch from gross to nett took six months, three tech visits, numerous (painfully protracted) phone calls to an offshore call centre, before finally, hopefully getting what it said on the box in the first instance.

The contract is identical to the pre-nett rates, other than the 15c/kW export.

Regional NSW

#8

I'm the environmental journalist with xxxxx and often use the ATA's wonderful research for stories. I'd be very interested in the results of your research into people's experience with smart meters.

I'd also be happy to contribute. I've had a largely positive response with my new smart meter organised by Powershop.

Sydney

#9

The following (at the bottom) is the email form that I had to fill in to get a smart meter from Powershop. I had objections to the last sentence where I had to agree not to hold the installer responsible for any damage that may be done to my property.

In the end after quite a few phone conversations I finally received an email saying...

"Hi xxxx,

Thank you for your time on the phone today.

Paul our NSW smart meter man has responded with the following;

Basically no tick = no smart meter.

All our metering providers have insurance and public liability cover which will apply if there is damage.

*Feel free to pass on my mobile if there's still an issue.
Pauls mobile number is XXXXXXXX.
Regards, Robbie
Thanks
The Powershop Crew"*

I finally gave in and ticked the box. We had to wait some months for the meter to be changed over because "there was a shortage of meters" Ausgrid finally did the change over. There was no problem and we were not charged for anything.

Sydney

We worked with the public to make our website easy to use and understand, so it uses features that your older browser may not fully support. If you experience display problems click here for a list of upgrade options.

I wish to register my interest in having a smart meter installed at my property

[Yes]

*Your full name **

[]

Your property address

Unit (if applicable)

[]

*Number **

[]

*Street **

[]

*City or Suburb **

[]

*Postcode **

[]

State

[]

*Your 10 or 11 digit NMI (National Meter Identifier) **

Don't know what this is? It stands for National Meter Identifier. It starts with a 4 and is on your bill

*Who is your current electricity provider? **

[]

*You don't need to be home when the installer visits your property, but if you'd like to be there to help access the meter board, tie up the dog or just watch them work please let us know. **

[I'd like to be home] I'd like to be home [I don't need to be home] I don't need to be home

If you'd like to be home during installation, please let us know your preferred time.

[]

Which day suits you best?

[]

What is your preferred contact method? *

[]

What are the details of your preferred contact method? *

[]

Are you okay with your power being switched for up to 1 hour? *

[Yes] Yes [No] No

Is it okay to pass on your personal details relating ONLY to the installation and maintenance of this smart meter, to third party installers? This will include your name, property address and contact details. *

[Yes] Yes [No] No

Please attach a photo of your existing meter board and (if it applies) your solar inverter

[Reset]

If you have any comments or questions, let us know below

[]

Disclaimer: By checking this box I agree and acknowledge that the Meter Installer owns, and is responsible for maintaining and repairing, my smart meter. I confirm that I will not deliberately damage or interfere with any metering equipment on my premises, in accordance with my obligations under NSW law. I will not hold Powershop or those acting on its behalf liable for any special, incidental, direct, indirect or consequential loss or damage arising from and or in relation to the smart meter.

[I Agree]

This field is required.

Submit

#10

We have an 80 amp supply and 2 smart meters. An EDM1 Mk10 and EDM1 Mk 10D. Our supplier is Powershop. We had to request the meters, by the web on a form. This was done on xx-01-2017. The meters were installed on xx-03-2017 by "Formway Group" from Queensland. There was no charge.

#11

I was reading an internet article; <https://www.choice.com.au/home-improvement/energy-saving/reducing-your-carbon-footprint/articles/delayed-smart-meter-installs-nsw> ; which said you were interested in feedback on smart meter installations.

My story is:

- early this year I switched to Origin. Origin said that they would install a smart meter, free of charge, "within a couple of months"
- they installed it after about 10 weeks, ie close enough to the promised date for me to not get upset
- installation and changeover was quick and painless

The downside is:

- although the meter sends data out every 30 minutes, it does not show up on the Origin web site for two days
- the web-site does not have any facility of downloading the generation/usage data. It just has a visual graphic. Click on one of the hourly "bars" and it will give you a data for that one hour . Pretty hopeless.

I've attached a screen dump showing that, in case my explanation is unintelligible.



NOTE Despite the technology, my bill says "estimated bill". I queried that, and the girl on the help desk said "Yes *that's right, we still need to read the meters*" which I thought was risible. I suspect she has no idea what she is talking about and the "estimated" note on the bill is just a mistake - their IT system can't tell the difference between a smart meter that doesn't need reading and a dumb meter that hasn't been read this quarter.

NSW