

23 July 2018

Jess Boddington
Project Leader
Australian Energy Market Commission
By email: submissions@aemc.gov.au

Dear Ms Boddington,

Metering Installation Timeframes – Rule Change Proposal – REF ERC0236

Aurora Energy welcomes the opportunity to provide comment on the Metering Installation Timeframes – Rule Change Proposal initiated by the Australian Energy Market Commission (AEMC). Aurora Energy is supportive of initiatives to reduce the timeframes for customers to receive a new or replacement meter and continues to work cooperatively with all market participants to ensure advanced meters are installed in a timely and efficient manner, without disruption for Tasmanian customers.

It is Aurora Energy's view that it is not possible to maintain compliance with an obligation to install an advanced meter within a maximum of six days. There are a number of practical impediments to this being achieved and even if these could be overcome, the field resourcing required to meet a six day timeframe would ultimately lead to an unnecessary increase in costs for consumers. Aurora Energy therefore does not support the rule change proposed by the Hon Josh Frydenberg MP, Minister for the Environment and Energy.

It is worth acknowledging that the Power of Choice rule changes represent one of the most substantial reforms to the National Electricity Market (NEM) since its inception. It introduces a number of challenges for the industry, including a heightening of the risk profile for retailers, who are now responsible for all the consumer protections associated with a meter installation¹. The rule changes also created a number of practical impediments, which act to prolong the meter installation process. These impediments can be summarised as:

- the commencement of the new role of Metering Coordinator for small customer metering services, which increases the complexity of the meter installation process;
- restrictions on the ability of the new Metering Coordinator to efficiently initiate meter installation/replacement requests in the NEM at lowest customer cost; and
- inflexible requirements on retailers for how customers are notified of planned outages that impact metering replacement timeframes.

Aurora Energy proposes that prior to consideration of maximum timeframes for meter installations, the rules relating to the appointment of incoming Metering Coordinators (referred to as 'meter churn') and retailer planned interruptions should first be amended. Aurora Energy considers this as a straightforward regulatory action to improve meter installation timeframes. Aurora Energy supports

¹ The Metering Coordinator is absent from the National Energy Retail Rules, leaving retailers with the obligations for customer protections for metering services. This risk can only be partially allocated through retailers' contractual arrangements with Metering Coordinators and means that risks are not allocated to the parties that can best manage them.

the two rule change submissions made by the Australian Energy Council (AEC) to address these issues, being:

- a rule change to allow customers to consent to a planned interruption within the minimum four day notification period. By allowing customers to waive the interruption notice period, installation timeframes can be reduced by up to two to three days. This consent should be allowed to be provided via telephone to realise time efficiencies.
- a rule change addressing the issues related to meter churn by incoming Metering Coordinators has been submitted to the AEMC. By removing unnecessary market transactions, the meter installation process can be expedited by two to three days.

Notwithstanding the value of the AEC proposed rule changes, it is Aurora Energy's view that meeting a six day maximum timeframe for meter installations will still not be possible. This timeframe does not fully consider the practical steps required by all market participants in arranging and completing metering installations. In Tasmania, a further impediment to metering installations timeframes is the lack of sufficient metering installation field resources over a geographically dispersed customer base. Considerable costs could be imposed on Tasmanian consumers to secure the level of resources required to reach a six day maximum meter installation timeframe.

Before considering enshrining maximum installation timeframes, Aurora Energy suggests that the AEMC undertake a detailed review of new and replacement meter installation processes, based on consultation with regulatory bodies and all relevant market participants. A review of this nature would provide the AEMC a practical understanding of the key constraints in meter installation timeframes and a realistic basis for any changes in regulatory settings.

Should the proposed rule change proceed, Aurora Energy acknowledges that elements of the proposal by the Hon Josh Frydenberg MP, Minister for the Environment and Energy have merit, including the principle that it should be applied as a 'best endeavours' requirement. Aurora Energy also supports the proposal that necessary preconditions must be met. This should include that a customer premise must be cleared to be safe, accessible and able to receive the work requested. Sites with multiple tenants should also be excluded.

Aurora Energy continues to work with its partners to take a customer-centric approach to improving metering installation processes and outcomes in Tasmania. This will involve on-going engagement with regulators to ensure that the regulatory framework supports, rather than inhibits, optimal customer outcomes in the Tasmanian context. This may mean Aurora Energy seeks dispensation from certain regulatory requirements.

If you have any questions regarding this submission please contact Hayden Moore at hayden.moore@auroraenergy.com.au

Yours sincerely



Kane Ingham
General Manager Commercial Services