



D18064996

12 July 2018

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Mr Pierce,

RE: ERC0236 – NATIONAL ELECTRICITY AMENDMENT (METERING INSTALLATION TIMEFRAMES) RULE 2018, NATIONAL ENERGY RETAIL AMENDMENT (METERING INSTALLATION TIMEFRAMES) RULE 2018

The Energy and Technical Regulation Division (Division) of the Department for Energy and Mining thank you for the opportunity to make a submission on the *National Electricity Amendment (Metering Installation Timeframes) Rule 2018*, *National Energy Retail Amendment (Metering Installation Timeframes) Rule 2018* consultation issued by the Australian Energy Market Commission (AEMC) on 31 May 2018 (ERC0236).

The Division supports the implementation of retailers providing customers with metering-related services within a defined timeframe, noting the poor experience customers have been experiencing since 1 December 2017. Given that the industry has had over two years to achieve market readiness, noting the final rule change was made on 26 November 2015, we are disappointed that issues have been encountered and continue to persist within South Australia.

Over the last six months, the Energy and Water Ombudsman of South Australia (EWOSA) has received over 600 complaints from customers within the State due to poor metering-related services. More than three quarters of these complaints have related to some form of meter-related service delay, including (but not limited to) *Solar Meter Upgrade Delays*, *New Connection Delays* and *Non-Solar Meter Upgrade Delays*. As more customers seek to obtain the benefits that smart electricity meters can bring, it is therefore likely to assume that this number will increase, unless further changes are implemented at a national level to require retailers and their metering service providers to provide services within a defined, fix timeframe.

As the AEMC has highlighted in their consultation paper, prior to 1 December 2017, South Australian customers would receive metering-related services for new connections within a defined timeframe. The Electricity Distribution Code, which SA Power Networks (SAPN) was required to comply with, ensured that less than 2% of the total number of connections were missed. Further, when SAPN missed a new connection, a fixed fine was applied to SAPN to pay to the customer.

To ensure that retailers (and their metering service providers) do not exceed six business days, the Division considers a penalty (up to a fixed amount) to be a

prudent measure in ensuring compliance with the maximum timeframe obligations. This will ensure that retailers (and their metering service providers) are appropriately incentivised to meet and provide metering-related services either at a time agreed with a customer, or within six business days (once necessary preconditions have been met).

The Division also considers that this requirement, or similar, should apply to all metering-related services, including (but not limited to): the connection of new premises, alterations (for example, the exchanging of a meter following a newly installed solar photovoltaic (PV) system) and abolishment's. This aligns with the Hon Josh Frydenberg's rule change proposal that all other metering-related services are protected by a maximum timeframe.

Given the significant delays associated with metering since the commencement of the new rules, the AEMC should consider whether a 'Metering Coordinator of Last Resort' and/or a 'Metering Provider of Last Resort' provision could be included in the rules. Such a provision would apply if retailers (and their metering service providers) fail to undertake metering-related services within the proposed timeframe of six business days (or a date agreed with the customer). For example, this 'Last Resort' function could be undertaken by a local distribution network operator or alternative Metering Coordinator and Metering Provider that has the capacity to undertake metering-related services.

For example, in the instance of a *new connection*, the distributor could install a *metering installation* which would enable the customer (or their operatives/ agents) to both work and/or occupy the property. Appropriate penalty provisions would then ensure that the 'Last Resort' entity and the customer is suitably reimbursed for providing a service to the customer (and/or their operatives/agents) when the retailer and their metering service providers fail in discharging their obligations.

Note, the Division considers the 'Last Resort' entity to be a safeguard which is established to ensure that a customer (and/or their operatives / agents), in the scenario of a *new connection*, receive a guaranteed service after six business days, but within a reasonable timeframe shortly thereafter.

The Division further recognises that all new and replacement meters must be an advanced meter. Therefore, organisations that wish to operate as 'Last Resort' entities, such as distributors, should ensure they have sufficient advanced meter stock when needed. The Australian Energy Regulator (AER) should also ensure that 'Last Resort' services have an appropriate price determined as required. Finally, should disputes arise, arbitration processes should be followed. For other scenarios, such as alterations and replacements, the AEMC should consider an appropriate timeframe and process for these 'Last Resort' scenarios.

Similarly, the Division considers this rule change should also include and consider locational service-related provisions. This proposed rule change should consider and ensure that both regional and metropolitan customers are charged a reasonable cost for metering-related services by their retailers (and their metering service providers). This would ensure that regional customers are not disadvantaged due to their location and any minimum timeframes incorporated into the rules.

For the proposed changes raised by the Australian Energy Council (AEC), the Division considers that extending the timeframes for the replacement of faulty electricity meters from ten days to 20 days is only beneficial if the customer's supply has not been affected. If, for example, in the scenario that a customer's property has been de-energised, and then a fault in the meter develops, leading to a customer's

property being unable to be re-energised, then said customer is left without supply for up to 20 days. The Division considers the likelihood of this scenario to be low, but the impact to the customer to be high. In that respect, the AEMC should ensure safeguards are in place if the timeframe for faulty meters to be replaced is increased from ten days to 20 days.

Further, the AEC's proposed amendment to give customer's less than four business days' notice of a planned outage is only beneficial if the customer benefit's overall. For example, in the case when a customer can receive meter-related services at a short notice at a time that suits them. Within South Australia, under the National Energy Retail Law (Local Provisions) Regulations 2013, a variation on the distributor is in effect which ensures that that no planned interruption notice is required if the duration of the interruption is less than 15 minutes.

The AEMC could consider whether a similar variation is appropriate which would ensure that metering-related services which take less than 15 minutes (for example, a meter exchange), or a longer period if deemed appropriate by the AEMC, is sufficient. Notwithstanding this and if the AEMC disagrees, the Division considers that the requirement to provide notice of a retailer-led planned interruption remains, at a minimum, four business days, and that the AEMC consider amending the relevant rules to enable retailers and customers to agree to an alternative date (in this instance and within the example used within the consultation paper, less than four business days).

Finally, the Division considers that any Service Level Procedures and guidelines, as well as system-related operations, including (but not limited to):

- The Australian Energy Market Operator's (AEMOs) Service Level Procedures – Metering Provider Services;
- AEMO's Service Level Procedures – Metering Data Provider Services;
- AEMO's Guide to the Role of the Metering Coordinator;
- The B2B Procedures; and
- B2B Market Messaging and B2B Schema Versions

be reviewed and updated to ensure that Market Participants involved with metering-related services are supporting the timely operation and delivery of metering-related services, as per this proposed rule change. Following this review, the AEMC may identify instances where current processes hinder the speed by which metering-related services are delivered and that changes may be beneficial to said procedures and guidelines, notwithstanding that services should be delivered with safety and the customer's interests in mind.

Thank you for accepting our submission. Should you wish to discuss this further, please contact Mr James Simmonds, Senior Policy Officer – Energy and Technical Regulation Division, on (08 8226 5092).

Yours sincerely,



Vince Duffy

Executive Director, Energy and Technical Regulation

12 July 2018

