

12 July 2018



Mr John Pierce AO  
Chair  
Australian Energy Market Commission  
Level 6, 201 Elizabeth Street  
SYDNEY NSW 2000

Dear Mr Pierce

**Energy Queensland Limited submission to the *National Electricity Amendment (Metering Installation Timeframes Rule) 2018* and *National Energy Retail Amendment (Metering Installation Timeframes) Rule 2018 Consultation Paper***

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) on its *National Electricity Amendment (Metering Installation Timeframes Rule) 2018* and *National Energy Retail Amendment (Metering Installation Timeframes) Rule 2018 Consultation Paper* (Consultation Paper).

This submission is provided by Energy Queensland on behalf of its related entities Energex Limited (Energex), Ergon Energy Corporation Limited (Ergon Energy), Ergon Energy Queensland (EEQ) and Yurika Pty Ltd (Yurika).

Should the AEMC require additional information or wish to discuss any aspect of this submission, please contact me on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours Sincerely

A handwritten signature in black ink, appearing to read "Jenny Doyle", with a stylized flourish at the end.

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*Encl: Energy Queensland's submission to the Consultation Paper*

# **Energy Queensland Submission to the Australian Energy Market Commission**

## ***National Electricity Amendment (Metering Installation Timeframes Rule) 2018 and National Energy Retail Amendment (Metering Installation Timeframes) Rule 2018 Consultation Paper***

Energy Queensland Limited  
12 July 2018



## About Energy Queensland

Energy Queensland Limited (Energy Queensland) is a Queensland Government Owned Corporation that operates a group of businesses providing energy services across Queensland, including:

- Distribution Network Service Providers, Energex Limited (Energex) and Ergon Energy Corporation Limited (Ergon Energy);
- a regional service delivery retailer, Ergon Energy Queensland Pty Ltd (Ergon Energy Retail); and
- affiliated contestable business, Yurika Pty Ltd.

Energy Queensland's purpose is to "safely deliver secure, affordable and sustainable energy solutions with our communities and customers" and is focussed on working across its portfolio of activities to deliver customers lower, more predictable power bills while maintaining a safe and reliable supply and a great customer service experience.

Our distribution businesses, Energex and Ergon Energy, cover 1.7 million km<sup>2</sup> and supply 37,208 GWh of energy to 2.1 million homes and businesses. Ergon Energy Retail sells electricity to 740,000 customers.

The Energy Queensland Group now includes Yurika, an energy services business creating innovative solutions to deliver customers greater choice and control over their energy needs and access to new solutions and technologies. Yurika is a key pillar to ensure that Energy Queensland is able to meet and adapt to changes and developments in the rapidly evolving energy market.

## Contact details

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# 1 Introduction

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) on its *National Electricity Amendment (Metering Installation Timeframes Rule) 2018* and *National Energy Retail Amendment (Metering Installation Timeframes) Rule 2018 Consultation Paper* (Consultation Paper). This submission is provided by Energy Queensland, on behalf of its related entities Energex Limited (Energex), Ergon Energy Corporation Limited (Ergon Energy), Ergon Energy Queensland Limited (EEQ) and Yurika Pty Ltd (Yurika).

EEQ is the fifth largest retailer in the National Electricity Market (NEM) by number of customers, retailing electricity to 95 per cent of Queensland's electricity customers located outside the South-East corner. Queensland is also the clear leader in rooftop solar installations across the NEM, with behind the meter assets and services continuing to grow across regional Queensland by up to 33 per cent per annum. As such, Energy Queensland has significant history and experience in metering installation practices.

Energy Queensland through its businesses listens to its customers, and is committed to delivering their expectations in an efficient and timely manner. Energy Queensland is therefore expressly aware of customer expectations in respect to connection timeframes for behind the meter assets, including the installation of meters which allow customers to enjoy the benefits of new solar or storage units. Guided by its customer engagement, EEQ was a key contributor to the Australian Energy Council's (AEC) rule change request, which is the subject of this consultation.

Yurika, Energy Queensland's energy services business, owns Metering Dynamics, an unregulated metering business operating across all jurisdictions in the NEM, and the Metering Coordinator (MC) for the EEQ business. This has provided Metering Dynamics with the unique opportunity to work between EEQ and its customers, and identify and understand the issues of contemporary metering requirements under the Power of Choice reforms.

As with any reform process, new practices require time to embed and inevitably lead to circumstances where issues arise. Given time most issues can be resolved between the retailer, MC and customer. However, Energy Queensland acknowledges that while the Power of Choice reforms are in their infancy, there is a need for rule changes which enhance flexibility in metering processes.

In response to the AEMC's invitation to provide comments on the Consultation Paper, Energy Queensland has focused on the responsibilities and learnings of EEQ and Metering Dynamics. Energy Queensland on behalf of these businesses provides responses to the questions raised in the AEMC's Consultation Paper in detail below.

Energy Queensland is available to discuss this submission or provide further detail regarding the issues raised, should the AEMC require.

## 2 Specific comments

### 2.1 Metering Installation Timeframes

The Power of Choice reforms which commenced 1 December 2017 have significantly impacted the EEQ and Metering Dynamics businesses and their ability to meet customer expectations.

The EEQ business is a non-competitive retailer, with 733,000 retail customers spread across a geographic area of 1.7 million square kilometres (km) in regional Queensland. This includes customers supplied via Ergon Energy's long rural feeders, such as the Quilpie rural feeder which is 2,749 km in length but supplies only 320 customers (equating to 8.5 km of feeder per customer). Installing a new meter for a customer supplied via this (or similar) rural feeders is a complex and time consuming process, involving the coordination of network crews and metering providers (MP) to attend dispersed and remote premises at a mutually convenient time to install or replace a meter.

While physical installation of the meter provides challenges, there are equally challenges in the administrative processes ahead of meter installation, such as the sequential Market Settlement and Transfer Solutions (MSATS) process required to appoint an MC and then MP; and delays in delivering a planned interruption notice in regional Queensland (allowing four days for physical delivery of a notice which provides for a further four days' notice of a planned interruption).

EEQ appreciates that across the NEM, the majority of customer connections are located within close proximity to urban centres. However, EEQ notes the continued need to support all electricity participants serving customers in regional areas, and the unique needs of these customers and participants.

Energy Queensland therefore suggests that enhanced flexibility in meter installations is crucial in coordinating activities associated with new and replacement meter installations, particularly so in regional Queensland.

## Australian Energy Market Commission – Amendment (Metering Installation Timeframes) Rule Change 2018

AEMC Question	EQL comments
<b>Question 1 Requirements for meter installation timeframes</b>	
<p>1.1 What are the benefits to customers of imposing installation timeframes in new and replacement situations?</p>	<p>Benefits to customers include:</p> <ul style="list-style-type: none"> <li>• Installation certainty enhancing customer satisfaction</li> <li>• Ability to prepare for a planned interruption</li> <li>• Transparency and clarity of meter installation timeframes reducing potential for complaints and disputes</li> </ul>
<p>1.2 What are the expected costs of imposing installation timeframes?</p>	<p>Additional costs and considerable resource constraints would exist to attend meter installations within a six day timeframe in regional and remote communities in Queensland (and across the NEM), particularly where the appropriate skill set for meter installation does not exist or is difficult to engage (for example, High Voltage or current transformer metering in Far North and Western Queensland).</p> <p>Due to demand, metering work is not undertaken on a daily basis in some communities. Rather, work is scheduled to gain efficiencies and reduce high travel costs. It would therefore be reasonable to expect considerably higher service provision costs where installation timeframes are imposed due to:</p> <ul style="list-style-type: none"> <li>• Increased resourcing required to react to tighter timeframes</li> <li>• Increase travel and labour costs to accommodate multiple visits to the same area to complete smaller volumes of work</li> </ul>

AEMC Question	EQL comments
	<ul style="list-style-type: none"> <li>• Reduced efficiencies due to inability to schedule works effectively.</li> </ul> <p>Similarly, service provision (Metering Provider Category B or MPB) will also be significantly challenged to maintain / gain efficiencies when providing capacity / capability in regional / remote areas of Queensland, particularly when subject to a retailer's 'best endeavours' agreement with a customer.</p> <p>Put simply, the dispersed nature of Queensland's electricity network is such that any imposition of a timeframe for metering services in regional and remote areas of the State is not practical.</p> <p>Energy Queensland acknowledges that Minister Frydenberg's proposed six day timeframe for new meter installations is proposed on a 'best endeavours' basis. However it is Energy Queensland's experience that customers largely overlook the 'best endeavours' and interpret the six days as a hard and fast rule.</p> <p>Further consideration is also required to understand and manage different retailer expectations as to what may constitute 'best endeavours', with variations in retailer expectations incurring additional process and resource costs to satisfy variances.</p>
1.3 Should there be different requirements for different types of installation scenarios and why?	<p>Installation and alteration works that require co-ordination with NSPs and MPs require the ability to align delivery obligations for both service works and metering works. Splitting timeframes to suit various scenarios will likely further impact any ability to gain operational and work program efficiencies.</p>
1.4 Should the current timeframes in the NER for the replacement of malfunctioning meters be amended? If	<p>Energy Queensland supports the AEC's position that customers should be provided with flexibility to agree a preferred time for the replacement of a</p>

AEMC Question	EQL comments
<p>so, what is the appropriate timeframe?</p>	<p>meter, or where this is not possible, 20 business days to enable compliance with NER processes.</p> <p>This approach enables more efficient work programing and delivery with consideration given to the geographical areas required to be serviced in some jurisdictions.</p> <p>Existing metrology procedures will continue to support the provision and revision of data to the market in an appropriate manner.</p>
<p>1.5 If a timeframe was imposed for new and replacement situations, at what point should the 'clock' start? That is to say, what preconditions would need to be met before the relevant timeframes should commence for each of the different types of installation scenarios?</p>	<p>Energy Queensland suggests the 'clock start' should commence upon a retailer's initiation of a 'Metering Service Works' request confirming all preconditions are met, namely:</p> <ol style="list-style-type: none"> <li>1. Customer request received</li> <li>2. Customer agreement in place with retailer</li> <li>3. MC/MP nominations initiated</li> <li>4. Electrician confirmation site is safe and ready for meter installation</li> <li>5. Network service provider has advised install can proceed.</li> </ol> <p>Consideration should also be given to the various agreements between retailers and MC/MPBs which result in the provision of upfront pricing for customer initiated works (for example, applicable to greenfield sites or alterations to existing sites). Timing for metering work may therefore be dependent on customer acceptance of a quote and receipt of payment (include third party billing) for metering services.</p>

AEMC Question	EQL comments
<b>Question 2 Potential measures to improve the meter installation process</b>	
<p>2.1 For each of the options to minimise process timeframes above (planned interruption notices and the customer notification process):</p> <p>(a) What are the benefits of the proposal?</p> <p>(b) What costs and risk for participants and consumers would be involved in implementing the proposal? How could these costs and risks be managed, for example through limitations in the NERR on the circumstances in which: planned interruption timeframes could be reduced; or new meter deployment notices could be waived?</p> <p>(c) Is there any new information that is now available following implementation of the competition in metering rules that should change how the Commission considered these issues in the final rule determination?</p>	<p>Energy Queensland supports the AEC’s proposals to improve the meter installation process by:</p> <ul style="list-style-type: none"> <li>• Allowing a customer and retailer to agree a planned interruption notice period that is shorter than four days and better suits the needs of the customer (residential or business)</li> <li>• Allowing a customer to agree the installation of a new deployment meter and waive the notification process.</li> </ul> <p>This approach is similar to the framework which existed prior to the Power of Choice reforms, and will reintroduce flexibility to accommodate delivery of short notice or opportunistic activities that require an outage and align with customer premise operations, facilitating more efficient meter installation / maintenance works.</p> <p>Equally where existing planned work has been cancelled, flexibility will provide opportunities to refine works programs and bring forward work (on agreement with customer) whilst crews are in the geographical area.</p>
<p>2.2 Are there any other options that would help to minimise the processes and timeframes involved in meter replacement, without compromising safety or consumer</p>	<p>It is noted in the consultation paper that an opportunity may exist to streamline the market role nomination process to allow market participant roles to be concurrently nominated in MSATS. While Energy Queensland is supportive of this review, it notes there are circumstances where market</p>

AEMC Question	EQL comments
<p>protections?</p>	<p>systems and business processes have been developed (and in some cases automated) to accommodate current market requirements of sequential nomination of the MC by the retailer (via CR 630x) and subsequent MP/MDP nomination by the MC (CR680x).</p> <p>Whilst in theory a singular nomination process would reduce the time between market role nomination and meter installation, changes to current processes may incur considerable cost to participants to complete further system and process changes. Appropriate consideration must therefore be given to the cost and time impediments necessary to implement system changes to ensure manual processing of change requests is not triggered, impairing the ability to process market transactions and initiate timely meter installation.</p>
<p><b>Question 3 Other issues related to planned interruption notices</b></p>	
<p>3.1. For each of the proposals related to planned interruption notices (the 24 hour enquiry line and notices to large customers):</p> <p>(a) What are the benefits of the proposal?</p> <p>(b) What costs and risks for participants and consumers would be involved in implementing the proposal? How could these costs and risks be managed?</p>	<p>Energy Queensland largely supports the AEC's proposal that:</p> <ul style="list-style-type: none"> <li>• The enquiry line for planned interruption notices should not be required to be a 24 hour phone line.</li> <li>• The requirement to provide planned interruption notices to large customers should be removed.</li> </ul> <p>Energy Queensland is of the view that four business days provides a customer with sufficient opportunity to query a planned interruption during business hours. Costs of running call centre staff outside business hours for what is expected to be a very small number of contacts should be reduced</p>

AEMC Question	EQL comments
<p>(c) Is there any new information that is now available following implementation of the metering competition rules that should change how the Commission considered these issues in the final rule determination?</p>	<p>where possible.</p> <p>Regarding large customers, it is the experience of Energy Queensland that many large customers that operate small businesses have installations which are metered by whole current (WC) metering, and require outages to install, test and maintain meters. Typically, these customers require outages out of hours or during maintenance periods to minimise impacts to business operations. The ability for the MP/MC to negotiate an agreeable outage time with the customer without having to manage specific planned interruption notice processes with retailers (that may each have differing notice processes) would streamline the ability to initiate and complete required meter installs/replacement at a time agreeable with the customer without the overhead of managing outage notifications between the service provider, retailer and customer.</p> <p>However, for large customer installations metered by WC meters, it is conceivable that these customers may not receive a notice of an outage prior to a site attendance. To mitigate this risk, processes should be investigated to identify and negotiate an outage time with a large WC meter customer prior to attendance.</p>