



12 July 2018

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Australian Energy Market Commission

Reference Code: ERC0236
National Electricity Amendment (Metering Installation Timeframes) Rule 2018

Powershop Australia Pty Ltd (**Powershop**) thanks the Australian Energy Market Commission (**AEMC**) for the opportunity to provide comments on the National Electricity Amendment (Metering Installation Timeframes) Rule 2018 consultation paper.

Question 1: Requirements for meter installation timeframes

1.1. What are the benefits to customers of imposing installation timeframes in new and replacement situations?

A key benefit of imposing timeframes in new and replacement meter situations is the certainty such timeframes will give customers. If customers know they can call a retailer and have their meter installed within six days this will give them confidence.

Unfortunately, installing a meter within six business days is not always possible or practical due to safety and process requirements, and accessibility issues - despite Powershop's (and all other retailers) best endeavours. Imposing an installation timeframe may compromise the safety of the customer and the meter installer.

Some of the reasons customers experience installation delays include:

- there are not enough technicians in an area to complete the job. This is a more significant issue in rural areas;
- upon arrival at a customer's site the installer finds the site needs maintenance before a meter can be safely installed. The maintenance can relate to, for example, asbestos or unsafe wiring;
- the administrative workload at metering companies is leading to situations where it can take up to a week for a job to be accepted and raised by the metering provider; and
- the process for raising a job is time-consuming and sometimes confusing for customers. For example, in NSW, a retailer will receive a request to install a meter from a customer, the retailer will then need to obtain the electrician's contact details and license number to pass onto the metering provider before a retailer can even raise a job. Control over these timeframes is largely out of retailers hands.
 - Note: Powershop has a suggestion to address this issue which is detailed in 'other considerations' in response to question 2.1(a).

Further to the above points, for the month of May 2018, one of Powershop's metering providers had a 20% unable to complete (**UTC**) job rate, with the primary UTC being 'unable to isolate'. 'Unable to isolate' made up 29.9% of UTC's for that metering provider for the month.

Powershop's view is that an imposed timeframe will not address the issues that lead to delays in installation and may instead have the unintended consequence of impacting a metering provider's ability to comply with jurisdictional safety requirements. Imposing a regulated installation timeframe may drive a culture of 'install at all costs' to the detriment of safety.

1.2. What are the expected costs of imposing installation timeframes?

It is difficult to quantify the costs of imposing installation timeframes due to the broad impacts it may have. Some factors that must be considered before imposing a timeframe include:

- customer cost – in an attempt to reduce the time it takes for a customer to respond with installation details or to provide access (and therefore reduce installation timeframes), retailers may introduce or increase fees for not complying with a retailer request on time;
- administration costs – metering providers would need to significantly increase administration resources in order to action requests faster. This cost is likely to be passed on to customers through higher metering charges;
- technician costs – due to the lack of technicians available to carry-out installation work, the government would need to consider funding programs in order to rapidly employ, train and deploy technicians to the field to meet imposed timeframes; and
- significant system development and administration costs to manage and monitor adherence to such a requirement.

1.3. Should there be different requirements for different types of installation scenarios and why?

Yes, there should be different requirements for different types of installations based on the nature of the installation. For example, if a retailer is replacing a faulty meter a 20 business day timeframe should be allowed (in-line with the Australian Energy Council's proposal) due to the potential adverse customer impacts a faulty meter can have on a customer. For the replacement of an existing meter, the customer impacts are not material, and therefore a six business day timeframe is unnecessary particularly taking into account the potential costs detailed in response to Question 1.2.

1.4. Should the current timeframe in the NER for the replacement of malfunctioning meters be amended? If so, what is the appropriate timeframe?

Yes, the current National Energy Rules timeframe should be amended to reflect the interdependencies and complexity Power of Choice (**POC**) has introduced in scheduling jobs. Powershop agrees with the Australian Energy Council's proposal of a 20 business day installation period for malfunctioning meters. This change provides a reasonable timeframe for retailers to install the replacement meter.

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 timeframe should commence for each of the different types of installation scenarios?

To ensure the safety of customers and meter installers, Powershop's view is that there needs to be two 'clocks':

- Clock one: Once Powershop has received all of the relevant information from the customer and safety-related paperwork from the metering provider, Powershop's clock to raise the job should start.
- Clock two: Once the job has been received by the metering provider and allocated to an installer, the second clock should start once the installer is onsite and has verified that the site is safe for meter works to take place (e.g. safe to isolate and no asbestos).

It is unreasonable to 'start the clock' without the site being deemed as safe by the installer. As previously mentioned, imposing a regulated timeframe may lead to unsafe practices occurring.

Question 2: Potential measures to improve the meter installation process

2.1. For each of the options to minimise process timeframes above (planned interruption notices and the customer notification process):

(a) What are the benefits of the proposal?

Planned interruptions:

The benefits of giving retailers and customers the ability to agree on a planned interruption date regardless of whether it is within four business days are:

- this is a more customer-centric approach as the customer can determine the installation date without being limited by the rules;
- it is consistent with Recommendation 15 of the ACCC's Retail Electricity Pricing Inquiry— Final Report (**Recommendation 15**);
- it contributes to retailers rebuilding trust with customers as it enables a more collaborative relationship as opposed to a rigid compliance focused relationship; and
- it promotes operational efficiencies in the market in accordance with the National Energy Retail Objectives (**NERO**).

Powershop's view is that while the four business day requirement is well intended and provides customers with certainty, it also limits customer choice. Powershop's view is that the four business day notice should be a minimum requirement in the event a retailer and customer do not agree on a specific date.

Customer notification process:

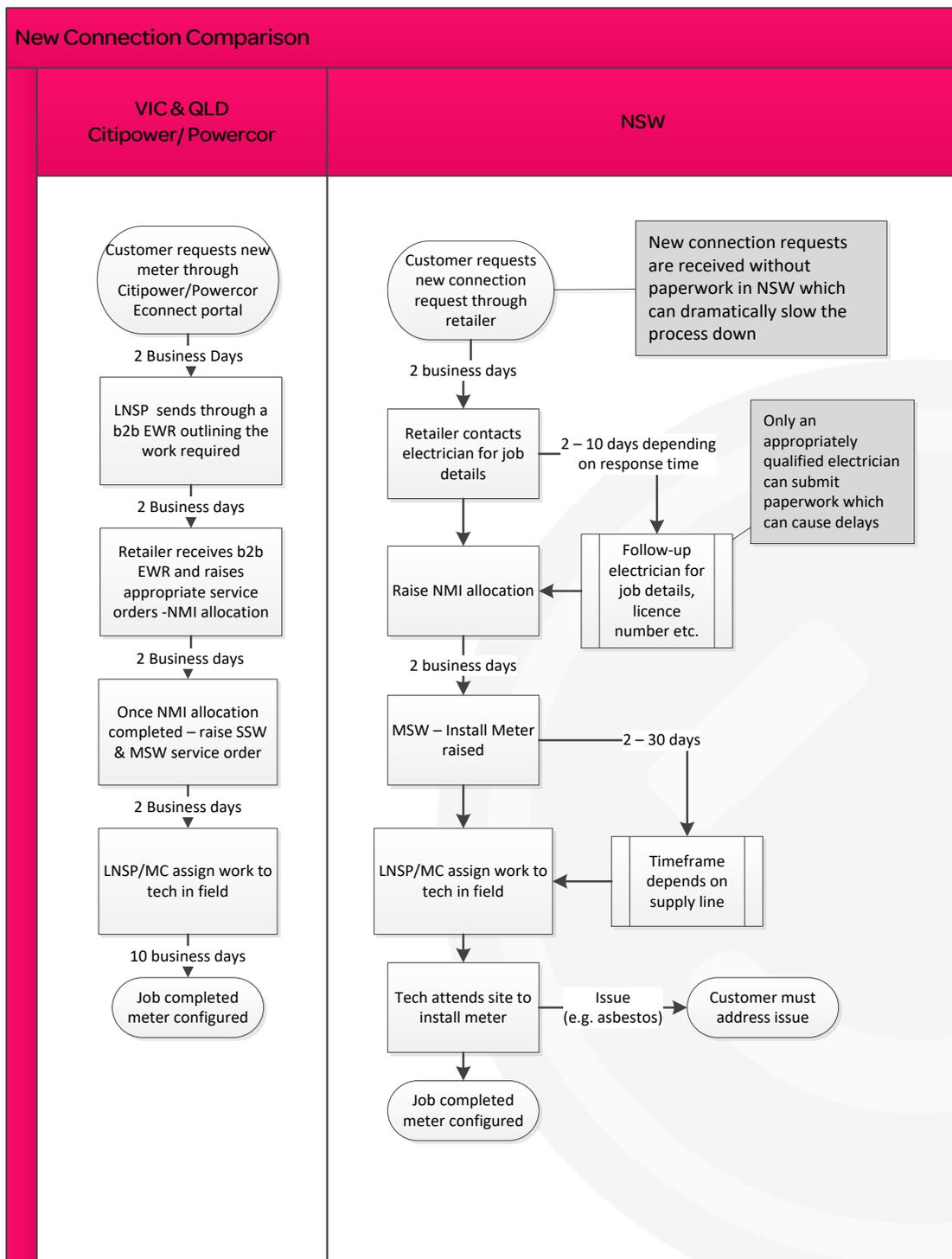
The benefits of changing the customer notification process to allow customers to waive their opt-out installation notifications include:

- alleviating customer confusion – if a customer has already consented to having their meter exchanged, sending them another notification can cause confusion;
- consistency with Recommendation 15; and
- promoting operational efficiencies in the market in accordance with the NERO.

Other opportunities:

1. The new meter installation process in NSW can be challenging to navigate and requires retailers to obtain safety certificates, electrician names and license numbers for installers prior to raising a job with a metering provider. As noted in item 4 below, the Victorian approach should be considered;
2. streamline Australian Energy Market Operator (**AEMO**) procedures by removing sequential timeframe requirements for selecting meter coordinators and metering providers in the Market Settlement and Transfer Solutions to allow retailers to appoint roles at the time of receiving the request. This change could save four business days;
3. allowing different levels of accredited technicians to submit paperwork may also reduce installation timeframes; and
4. Powershop suggests the AEMC review the Victorian metering procedures, particularly installation procedures, to drive better customer outcomes through more efficient processes. Powershop finds the CititPower/Powercor and Energex meter installation process efficient and customer friendly. Table 1 below provides a comparison between the current Victorian metering installation process and the current NSW metering installation.

Table 1: Comparison of installation processes



(b) What costs and risks 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?

Table 2: Risks and Risk Management

Risk	Management
Shortened planned interruption timeframes	<ul style="list-style-type: none"> Customer must provide consent to shortening the timeframes Retailer must retain a copy of the consent
Customer waiving opt-out notifications	<ul style="list-style-type: none"> Customer must provide consent to waiving opt-out notifications Retailer must retain a copy of the consent
Customer refuses a smart meter installation after they have consented	To obtain informed consent, retailers would have to outline the consequences of refusing a meter installation after they had provided consent to install a meter (e.g. fees for any costs incurred prior to cancelling the meter install).

(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?

Removing the rigid stepped process in both the rules and AEMO procedures will give the customer greater control over their installation dates and enable retailers to deploy new meters at a faster rate. Removing these regulatory requirements is consistent with Recommendation 15.

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 protections?

In March 2016, the NSW government passed the Electricity Supply Amendment (Advanced Meters) Bill 2016¹ (**Advanced Meters Bill**) which enabled retailers to engage metering providers to roll-out smart meters prior to POC commencing in December 2017. This bill enabled the industry to install smart meters without prior notification (other than for life support customers). During this period, the process for coordinating and installing meters was far more efficient for the industry and for customers. In the five months since POC was implemented, Powershop has seen an increase in the number of customer queries and complaints compared to the approximately one and half year period during which meters could be installed in line with the Advanced Meters Bill requirements.

Powershop's view is that a combination of the timeframes prescribed by AEMO in the market procedures for POC and the timeframes and notifications required under the rules for POC have driven customer confusion and slowed installation timeframes. Powershop suggests removing the prescriptive notification requirements to enable retailers to install meters more quickly in line with Recommendation 15.

¹ <https://www.parliament.nsw.gov.au/bills/Pages/bill-details.aspx?pk=3273>



Question 3: Other issues related to planned interruption notices

3.1. For each of the proposals related to planned interruption notices (the 24-hour enquiry line and notices to large customers):

(a) What are the benefits of the proposal?

Powershop's view is that a 24-hour emergency phone line is appropriate for life support customers. Given the potential severity of supply issues with these customers, retailers should be able to refer them directly to a distributor's emergency line so that they can arrange temporary supply as soon as possible. Distributors are still best placed to restore energy in emergency situations.

Powershop's position is that a 24 hour enquires line for normal meter works is unnecessary, costly and should be removed.

(b) What costs and risks for participants and consumers would be involved in implementing the proposal? How could these costs and risks be managed?

Having retailer's resource a call centre for 24 hours is not sustainable, especially for small retailers or new entrants.

(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?

Since the implementation of the POC reforms, Powershop has not received any after-hours enquiry calls (or emergency calls) pertaining to meter works. This suggests that this requirement could be streamlined with existing distributor processes to reduce costs and ensure the safety of life support customers.

In closing, Powershop's view is that POC was a major project and major implementation, so naturally, there were 'teething issues' that needed to be ironed out which did have adverse impacts on customers. The issues that occurred were clearly noted as risks by industry throughout the POC project so stakeholders should have been aware of the potential downside during the implementation phase. We note that a lot of the 'teething issues' have now been ironed out with metering providers and the broader industry.

Powershop's view is that there has been a lot of change in the metering space as a result of POC and stakeholders should refrain from making any rule changes until sufficient time has passed to undertake a considered and detailed review of the effects of POC. The only changes that should be immediately made are changes that allow the industry to operate more efficiently to drive better outcomes for customers.

If you have any queries or would like to discuss any aspect of this submission please do not hesitate to contact me.

Yours sincerely,

Haiden Jones

Retail Compliance Coordinator
Powershop Australia Pty Ltd