



INFORMATION

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Meter installation timeframes

Draft determination released for consultation

The Australian Energy Market Commission has made a draft rule to provide customers with greater control and confidence over when their electricity meter will be installed. Submissions are due by 25 October 2018.

Draft rule details

Under this draft rule, retailers would be required to provide a meter installation for a new connection or a simple meter exchange on a date agreed with the customer. If no date can be agreed, the retailer would be subject to a maximum timeframe of six business days for a new connection or 15 business days for a simple meter exchange.

For meter exchanges that also require a connection alteration, the draft rule imposes an installation timeframe of 15 business days on the retailer and specifies that distribution network service providers must coordinate connection changes to allow retailers to meet their timeframe obligations.

The draft rule also includes a range of additional measures that seek to reduce meter installation delays and increase consumer confidence. In addition, it harmonises the timeframe for metering coordinators to repair and replace small customers' faulty meters with those for customer initiated meter exchanges.

This draft rule was made in relation to two rule change requests submitted by the Australian Government and the Australian Energy Council which were consolidated under the National Energy Retail Law (NERL) and the National Electricity Law (NEL).

Additional measures to reduce meter installation delays

The draft rule also includes:

- obligations on retailers to inform small customers of the meter installation timeframes for customer initiated works
- a recommendation to the COAG Energy Council to extend the current civil penalty provisions on timeframes for malfunctioning meters to the new timeframes for other types of metering arrangements
- more flexible notification requirements for retailer planned interruptions
- a recommendation to AEMO that they streamline the appointment process for metering parties in certain circumstances.

Importance of metering contestability

Over 500,000 small electricity customers outside Victoria now have advanced meters which are a key foundation for the transformation of the energy market. They enable customers to better understand and control their electricity use and costs, and access new services. They are also a pre-requisite for implementation of cost-reflective tariffs, which will deliver savings for consumers.

Following the AEMC's metering contestability reforms, the rollout of advanced meters is progressing faster than expected. This change is being driven by consumer choice not regulation. Customers with smart meters have access to more services than under the former regulated approach to metering. Smart meters are now being generally provided by retailers at no upfront cost.

Case for change

While instances of delays should be considered in the context of large numbers of completed meter installations, the impacts on affected customers are not acceptable. Delays in the installation of meters can severely affect small customers, either through imposing financial hardship, leaving them without electricity supply or delaying their ability to access new electricity products and services.

The Commission considers changes to the National Electricity Rules and National Electricity Retail Rules are required.

Timeframes for customer initiated meter installations

The Commission considers there are significant benefits to establishing nationally consistent installation timeframes in cases where small customers have requested a new or replacement meter.

The draft requirements differ slightly depending on whether the meter installation is for a new connection, a simple meter exchange or a complex meter exchange. This is because the installation steps are different in each scenario.

Timeframes for new connections

A new connection is when electricity supply is being connected to a site where none existed before. In practice, new connections are most often new builds recently completed.

Under the draft rule, retailers would be required to provide a metering installation for a new connection on a date agreed with the small customer. If no date is agreed, then retailers must install meters within six business days of being informed that requisite connection services are complete.

Timeframes for simple meter exchanges

A simple meter exchange is when an existing electricity meter is being replaced with a new meter and a connection alteration is not required. For example, the installation of a small rooftop solar PV system may require a simple meter exchange.

In cases where a simple meter exchange has been requested, the draft rule requires retailers to install the meter on a date agreed with the small customer. If no date is agreed, the retailer must install the meter within 15 business days of having received a formal request from an existing small customer. The Commission considers a timeframe of 15 business days is appropriate given there are more installation steps than for new connections.

To assist retailers in meeting a maximum timeframe of 15 business days, the draft rule provides more flexibility for retailers to notify customers of planned interruptions. Under the draft rule, the retailer may engage with the customer in the first instance to find a suitable time for the meter installation. If retailers are unable to contact customers, they will need to provide a minimum of four business days' notice to the customer.

Timeframes for complex meter exchanges

A complex meter exchange is when existing electricity meters are being replaced and connection alterations are required. For example, where customers have bought an electric vehicle or a large air conditioner that requires three phase electricity supply.

Under the draft rule, the retailer will be required to provide a metering installation for a more complex meter exchange on a date agreed with the customer and the DNSP. This is because, in the majority of cases, the connection services must be completed at the same time as the meter installation. If no date is agreed, retailers must install the meter within 15 business days of having received a formal request. The draft rule also specifies that the distribution network service provider must coordinate connection alterations in order to allow retailers to meet their timeframe obligations.

Compliance and enforcement

The draft rule applies a firm requirement on retailers to meet installation timeframes where alternative dates have not been agreed with customers. The Commission considers that the draft rule should improve consumers' confidence in the meter installation process and

The AEMC has worked closely with the Australian Energy Regulator and the Australian Energy Market Operator to resolve customers' installation problems with retailers and networks as fast as possible while this rule has been considered.

agrees with the Australian Energy Regulator that a firm requirement, rather than a 'best endeavours' obligation, would support its enforcement of the new obligations.

The Commission notes there will be circumstances where it is more difficult for retailers and metering parties to install a meter and the maximum timeframe cannot be met. Where retailers encounter these rare situations, the draft rule allows for exceptions to be made. In these cases, retailers would provide assistance to small customers by explaining why installation cannot proceed and what may need to be done to address the problem. Once the issue causing the exception has been resolved, a new timeframe for the installation can be established.

Timeframes for rectifying a malfunctioning meter

Under the draft rule, metering coordinators must replace or repair a small customer's malfunctioning meter as soon as practicable, but no later than 15 business days after they have been notified of malfunction. It's important to note that malfunctioning meters do not generally result in customers losing electricity supply. In rare cases where a customer has experienced a loss of electricity as a result of a faulty meter, the meter can be bridged by the distribution network service provider to maintain supply.

Actions taken to resolve delays

The AEMC has been working closely, alongside other regulatory bodies such as the Australian Energy Regulator and the Australian Energy Market Operator to resolve industry issues related to meter installation delays. This work has been conducted in parallel to the rule change process, so outcomes for customers could be improved as soon as possible.

This work has include workshops with retailers, metering businesses, state government, distributors and energy ombudsman to identify solutions that can be implemented while the rule change process is in progress. It has led to some improvements in installation timeframes and reduced the instances of customers being left without electricity supply as a result of metering works.

Implementation

The Commission proposes a commencement date of 1 January 2019 for the changes to the National Electricity Rules and the National Energy Retail Rules relating to metering installation timeframes. This would be approximately one month after publication of the final determination and rule.

The provisions related to retailer planned interruption notifications are proposed to commence on 6 December 2018.

Consultation

The Commission will hold a stakeholder workshop to discuss the metering installation timeframes draft rule on **12 October 2018** from 10am to 1pm at the Rydges hotel, 1 South Terrace, Adelaide. To attend, please register your interest on the AEMC website.

The Commission is seeking stakeholder feedback on the draft determination and the draft rule by **25 October 2018**.

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