

8 November 2018

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Australian Energy Market Commission  
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Submitted electronically

Dear Commissioners



**EnergyAustralia**

LIGHT THE WAY

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### **ERCO246 - Advanced meter communications consultation paper**

EnergyAustralia is one of Australia's largest energy companies with over 2.6 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market (NEM).

EnergyAustralia welcomes the opportunity to make this submission to the Australian Energy Market Commission's (AEMC) consultation on the advanced meter communications rule change. We support the intent of this proposal as it will enable a metering coordinator to provide a small customer with a type 4A meter, if the customer does not want remote communications where a type 4 meter is already installed. This will result in a better outcome for customers, as customers will be able to mitigate the communication element without a costly meter exchange.

We consider that there will always be a small portion of customers who don't want remote communications. We have had 50 customers refuse the installation of a type 4 meter - due to safety concerns from the remote communications - out of a total 26,937 meters installed. Whether it is due to health and safety concerns (i.e. risk of electromagnetic fields), or low connectivity, these customers should still be afforded the choice to not have a type 4 meter without having their supply interrupted to replace the meter.

#### **Assessment framework**

We agree with the assessment framework that the AEMC has outlined in the consultation paper. We consider the AEMC has correctly identified the two most impacted issues relating to the rule change. Price, will factor in the positive impact of removing costly meter exchanges and the negatives of having less connectivity in the network. Customer choice, is a consideration of safety as most concerns with the communications relate to health and safety concerns.

However, we consider that competition does not seem to be as relevant to the rule change. The removal of communications does not appear to promote or have significant

impact negatively on retail and metering competition in the NEM. The work will still be conducted by the metering coordinators that would have conducted the current method, replacing type 4 with type 4a.

### **Benefits of deactivating the communications on an installed type 4 meter**

We consider that the benefits of being able to remove or disable the communication component of an installed meter outweighs any potential costs. Any costs associated with the manual deactivation of the communications can be managed through the retailer's contract with its metering coordinator. While the benefits of being able to perform this function, will result in better outcomes for customers. This includes:

- the customer will not incur the fee of a replacement meter;
- the work is significantly easier and cheaper to do for metering coordinators; and
- there will be a reduction in losses from meter being replaced for the owner of the meter.

### **Effect on the Power of Choice reforms**

We acknowledge that the removal of the communications from meters will reduce the customer's access to real time data and services, e.g. web portals, access to tariffs that rely on this technology, and demand response. Customers should be made aware at the time of the request to remove communications that they will not receive these benefits. We note that customers will still be able to receive all currently available tariffs; though this will be reliant on the meter being read/probed.

There is potential that this proposal may reduce the connectivity of the network. One of the benefits with replacing all meters with communications connected meters is that there is relatively live visibility of the network. However, the reality is that complete connectivity of the network would have taken a significant timeframe to achieve regardless of customers opting out of communications. We do not consider that the numbers of customers refusing communications is such a significant amount to have any great impact to the connectivity of the network. As proposed, customers will only be able to refuse communications for 7 years before reapplying. That means in 7 years' time these customers may have moved out of the properties or their concerns/reservations may have been resolved.

If you would like to discuss this submission, please contact me on 03 8628 1704 or [Travis.Worsteling@energyaustralia.com.au](mailto:Travis.Worsteling@energyaustralia.com.au).

Regards

**Carmel Forbes**

Industry Regulation Lead