

8 November 2018

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

VECTOR LIMITED
101 CARLTON GORE ROAD
PO BOX 99882
AUCKLAND 1149
NEW ZEALAND
+64 9 978 7788 / VECTOR.CO.NZ

Reference: ERC0246

Submission on the Proposed Advanced Meter Communications Rule Change

Introduction

1. This is Vector Limited's (Vector) submission on the Australian Energy Market Commission's (AEMC) consultation paper on the proposed *National Electricity Amendment (Meter Installations – Advanced Meter Communications) Rule 2018*, dated 11 October 2018.
2. Vector has no objection to the rule change request submitted by the Australian Energy Council (AEC) to the AEMC on 20 July 2018. The rule change request seeks to allow the deactivation of the remote communications ability of a customer's advanced meter if that is the customer's choice.
3. We set out below our responses to the consultation questions.
4. No part of this submission is confidential. Vector's contact person for this submission is:

Paul Greenwood
Industry Development Australia
Paul.Greenwood@vectorams.com.au
Tel: 0404 046 613

Responses to consultation questions

QUESTION 1: ISSUES

1. What are stakeholders' views on the issues raised by the AEC in the rule change request?
2. How prevalent is the issue of a small customer refusing the use of an installed type 4 meter (i.e. an advanced meter with active remote communications)?
3. What reason/s are customers giving for their type 4 meter refusal?
5. To date, Vector has received approximately 50 requests from customers for the remote communications ability of their installed advanced meter to be turned off. This would convert their meter from a type 4 (remotely read) meter to a type 4A (manually read) meter.
6. As a rule, we do not record or question a customer's reason(s) for requesting the deactivation of the remote communications ability of that customer's advanced meter. Based on our engagements with industry participants and the market, it is our understanding that such requests are mainly driven by requesters' health-related concerns associated with the remote collection/transmittal of data from the advanced meter.
7. While it is our belief that advanced meters are safe devices from a health perspective based on scientific evidence, we do respect requesters' concerns and therefore do not object to the AEC's rule change request. We recognise that the proposed measure promotes consumer choice in the electricity market, which underpins the *Power of Choice* reforms.

QUESTION 2: THE PROPOSED SOLUTION

1. What are the benefits of the solution proposed by the AEC?
 2. What are the costs of the solution proposed by the AEC?
 3. Are there any alternative solutions that may have greater benefits and/or lower costs?
 4. What, if any, is the effect on the Power of Choice reforms of allowing metering coordinators to deactivate communications of already installed type 4 meters? That is, to what extent, if any, would the expanded exemption reduce or delay the benefits of the roll-out of advanced meters, such as access to innovative tariffs and services?
-
8. We understand the difficult position retailers and Metering Providers find themselves in when customers request the deactivation of the remote communications ability of their advanced meter. The rule change request will allow the relevant Metering Coordinator to act on such requests without breaching the *National Electricity Rules*. This would alleviate the concerns of requesters and remove anxiety on their part.
 9. The costs of the proposed measure would be similar to the costs associated with a non-communicating meter in an area without telecommunications network coverage (that enables the remote communications functions of an advanced meter). In such areas, installed advanced (type 4A) meters would have to be read manually. This could be problematic for the retailer as the number of type 4A meters today are not of a similar scale to, say, accumulation (type 6) meters.
 10. We do not believe this rule change request would undermine the objectives of the *Power of Choice* reforms.

QUESTION 3: ASSESSMENT FRAMEWORK

1. Is the proposed assessment framework appropriate for considering the rule change request?
 2. Are there other relevant considerations that should be included in the assessment framework?
-
11. Vector considers the AEMC's proposed assessment framework to be generally appropriate for this rule change request.
 12. We would like to believe that the need to deactivate the remote communications ability of advanced meters that are already installed will diminish over time 1) with the increasing uptake of advanced meters, and 2) as the consumer benefits of advanced meters are realised more widely in the National Electricity Market.

Concluding comment

13. We are happy to discuss with AEMC officials any aspects of this submission.

Yours sincerely



Mitch Webster
Business Development Manager
Vector Advanced Metering Services