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Mr James Hyatt
Australian Energy Market Commission
Level 6, 201 Elizabeth Street
Sydney NSW 2000

Reference: ERC0246
Submitted by email to: submissions@aemc.gov.au

8 February 2019

Dear James

Advanced Meter Communications

Thank you for the opportunity to provide feedback on the Australian Energy Market Commission (**AEMC**) Draft Rule on Advanced Meter Communications. AGL Energy (**AGL**) supports the proposed direction of this Rule change to enable customers with existing smart meters to request the meter communications to be disabled.

AGL supports the AEMC's preferred Rule, which includes clarification of the original policy intent of clauses 7.8.4(d)-(i) of the National Electricity Rules (**NER**) and we agree with the AEMC that the proposed Rule will reduce industry costs, build consumer confidence in the digital meter rollout and uphold the intent of the original Competition in Metering Rule.

AGL provides comments on the following three areas of the proposed drafting of the Rule. We believe that the comments we offer further improve the consumer benefits flowing from the Rule and further aligns with the policy intent:

1. Acceptance of customer request
2. The use of the term expense
3. Reactivation

We have also provided updated proposed drafting in Appendix 1 to align with our comments.

1. Acceptance of customer request

Rule 7.8.4(d)(3) allows the Metering Coordinator (**MC**) to accept the small customer request to deactivate communication from an installed digital meter when the small customer objects to its continued use.

While AGL supports the Rule to allow customers to seek deactivation and for the request to be accepted, AGL believes that this acceptance of the customer request more correctly resides with the *financially responsible Market Participant* (**Retailer**). If the retailer accepts the request, they will then subsequently issue directions to their MC and the retailer is then charged by the MC for the requested services.



This aligns with industry practices and over-arching industry framework whereby the retailer has the direct one-to-one relationship with the customer. AGL believes it is very unlikely that any small customer would understand that they had to seek acceptance from the MC to arrange for communications to be de-activated or would be able to easily identify and contact them. MCs do not have call centres, nor do they generally have direct customer contact to organise metering services, except via field staff. This is also consistent with section C.2 of the Draft Determination, which states “retailers are typically responsible for arranging metering services for their residential and small business customers”.

As such, AGL expects that the customer would contact their retailer to request for the meter communications to be de-activated. The Retailer is the party who interacts with the customer, establishes the supply contract and associated services, and would be the party charging the customer for any services. It would also be the Retailer’s choice to waive any charges to the customer. This is also consistent with the new minimum timeframes Rule whereby retailers are required to provide information on their web-sites regarding the new safety net timeframes for new connections and meter exchanges.

2. Use of the term “expense”

The drafting of Rule 7.8.4(d)(2)(ii) uses the term ‘expense’.

However, the National Energy Retail Rules (NERR) uses the term ‘charge’. To ensure consistency of application and approach, AGL suggests that the term ‘expense’ be replaced by ‘charge’.

3. Reactivation

AGL notes that there was consideration of whether retailers were incentivised to organise reactivation of the meter communications at the earliest opportunity. AGL supports the AEMC conclusion that retailers have strong efficiency incentives to ensure that meter communications are restored whenever possible.

The majority of customers and retailers prefer the higher frequency of data associated with active meter communications read meters. Further, active communications allow retailers to provide customers with value-add services, such as AGL’s Energy Insights¹ and Demand Response services².

Further, retailers would prefer the meters to be communications enabled, so that the various remote services and associated cost savings are available. This is demonstrated by retailers and MC developing a voluntary Code for remote metering services (the Remote Services Code or **Code**). The intention of the voluntary Code is to reassure jurisdictions that retailers take safety seriously when it comes to remote re-energisation.

Should you have any questions in relation to this submission, please contact either myself or Mark Riley, Senior Industry Advisor, on 03 8633 6131 or mriley@agl.com.au.

Yours sincerely

Con Hristodoulidis
Senior Regulatory Strategy Manager

¹ <https://www.agl.com.au/yourenergyinsights>

² <https://www.agl.com.au/solar-renewables/projects/peak-energy-rewards-managed-for-you> and <https://www.agl.com.au/about-agl/media-centre/asx-and-media-releases/2017/march/agl-virtual-power-plant-goes-live>

Appendix I – Proposed re-drafting

- (d) A *Metering Coordinator* is not required to comply with clause 7.8.3(a), or to ensure that the remote access capabilities of an installed type 4 *metering installation* remain active, where:
- (1) in the *Metering Coordinator's* reasonable opinion, the *small customer* has communicated its refusal to the proposed installation of a type 4 *metering installation*, or to the continued use of an installed type 4 *metering installation*, at a *connection point* in accordance with paragraph (e); and
 - (2) the *Metering Coordinator* has informed the *small customer* or is aware that the *financially responsible Market Participant* has informed the *small customer*:
 - (i) about the differences between a type 4 *metering installation* and a type 4A *metering installation*; and
 - (ii) of the upfront costs and indicative ongoing ~~charges~~ ~~expenses~~ associated with a type 4A *metering installation* that will be payable by the *small customer* in the circumstances described, as applicable, in paragraph (h)(1) or (h1)(1); and
 - (3) the *financially responsible Market Participant* ~~*Metering Coordinator*~~ accepts the *small customer* refusal.
- (e) For the purposes of paragraph (d) a *small customer* refusal to the proposed installation of a type 4 *metering installation*, or to the continued use of an installed type 4 *metering installation*, must be communicated:
- (1) verbally, in writing or by conduct; and
 - (2) to the *financially responsible Market Participant*, *Metering Coordinator* or *Metering Provider*.
- (f) If the *small customer* communicates its refusal under paragraphs (d) or (e) to the *financially responsible Market Participant* or *Metering Provider*, the *financially responsible Market Participant* or *Metering Provider* (as the case may be) must promptly provide written notice of the refusal to the *Metering Coordinator* which must include:
- (1) the date of the refusal;
 - (2) how the refusal was communicated; and
 - (3) details of the *NMI* at the relevant *connection point*.
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- (i) Nothing in paragraphs (h) or h(1) prevents a *Metering Coordinator* from, at any time, activating or reactivating the remote access capabilities of a *metering installation* at the direction of the financially responsible Market Participant following ~~with~~ the consent of the requesting *small customer* at the *connection point*.