



Accelerating smart meter roll out in the National Electricity Market

The AEMC will work with stakeholders to develop a package of measures to accelerate the deployment of smart meters, Work will recommence in April 2022 following a brief pause while staff support commencement of Energy Security Board's Post-2025 market reform project

Stakeholders support a higher level of smart meter penetration, faster

The AEMC appreciates stakeholders' continued high level of interest and engagement in our *Review of the regulatory framework for metering services* (metering review). Nearly 60 stakeholders have provided written submissions in response to the directions papers that was published in September 2021. The majority of stakeholders support a higher penetration of smart meters in the national electricity markets (NEM). In reference group meetings held after the publication of the direction papers, many stakeholders have expressed a need to have clear policy directions on measures that could support a faster and more efficient deployment of smart meters.

Direction on accelerating smart meter deployment

Smart meters enable a more connected, modern, and efficient energy system that supports future technologies, services and innovation. Key to realising the benefits that smart meters can provide to consumers individually and as a group is a faster and more efficient deployment of smart meters. We will work with stakeholders to develop and implement reform options to accelerate the deployment of smart meters based on the following settings:

- **Setting a timeframe to achieve a higher level of smart meter deployment.** This would need to be supported by a combination of approaches such as age- and geography-based replacement and other measures that would improve deployment speed and efficiency.
- **Retailers and metering parties remain responsible for metering services.** Retailers and metering parties will remain responsible for the provision of metering services for small customers. Retailers will retain the ability conduct retailer-led deployment under streamlined rule requirements in addition to measures to accelerate deployment.
- **Distribution network service providers (DNSPs) support in roll out.** DNSPs have an important role to play in supporting a faster and more efficient roll out. DNSP data on the age profile and location of the remaining fleet of legacy meters would assist in the planning and implementation of an accelerated deployment. Further, DNSPs could also identify areas for high priority deployment where a high penetration of smart meters could assist them to improve network operations and customer safety outcomes.
- **Resolving key installation barriers.** On resumption of the review, we will work with industry stakeholders as well as jurisdictional government and safety regulators to find enduring solutions to key installation barriers such as site remediation/upgrade as well as meter exchanges in shared fusing and multi-occupancy premises.

Approach to data access

Clear data access and exchange framework is also crucial to support the energy sector's transformation. Stakeholder submissions indicated widespread support for options that include minimal content requirements and an agreed exchange architecture. When the review recommences, we will work with stakeholders to develop a framework to support efficient access for industry participants and consumers to data captured by smart meters.

Sequencing change means a slight pause in this review

There is a significant number of reform programs currently being undertaken in the energy sector, many of which are critical to the transition to a low-cost, de-carbonised electricity system in a timely manner. The recent decision by Energy Ministers to endorse the new phase of the Energy Security Board's (ESB) Post-2025 market reform program, means more stretched resources for market body and AEMC staff.

We recently conducted a review and sequenced our work program in a way to allow us to deliver our extensive work program and contribute to the ESB at the same time. We have also tried to limit consultation over the Christmas/New Year period. As a result, the metering review, along with a number of other projects will be delayed to allow some of our staff to be temporarily redeployed to assist other priority project such as the *Transmission planning and investment review*.

Our announcement of project sequencing can be found at <https://www.aemc.gov.au/news-centre/media-releases/new-sequence-deliver-priority-work>

Next steps

When this review recommences in April 2022, we will work with all stakeholders on implementing the direction on accelerated deployment in the most efficient and equitable way. We will also provide stakeholders an opportunity to submit supplementary submissions.

In the meantime, we encourage all stakeholders to take actions that could assist with a faster deployment of smart meters. In particular, progress on the following would greatly assist in informing the development of accelerated deployment options when the review recommences:

- **Collection of legacy meter data.** A decision on the method of accelerated deployment would require transparent information on the age and location profile of the existing legacy meter fleet. We encourage DNSPs to commence preparing this data so that it is available for use by April 2022.
- **Data on site remediation issue.** As discussed above, any accelerated smart meter deployment would need to be accompanied by enduring solutions for site remediation issues. We encourage stakeholders such as metering parties and retailers, to collate data on the likely instances of sites requiring additional work and the potential costs of remediation.
- **Data format and exchange architecture development.** Metering parties and DNSPs have made significant progress in developing consensus on data access and exchange. We encourage parties to continue to find agreement on the power quality data type, quantity and format in which they are exchanged that has the potential to deliver significant net benefit to consumers and the electricity system as a whole.

Background: Directions paper and stakeholder engagement

Since we commenced the metering review in December 2020, stakeholders from across the electricity industry have participated in 18 reference group and sub-reference group meetings and numerous bilateral discussions. Over 60 stakeholders provided submissions to the review's consultation paper and we have received close to 60 submissions from stakeholders to our recently published Directions Paper. These documents, as well as stakeholder submissions, can be found at <https://www.aemc.gov.au/market-reviews-advice/review-regulatory-framework-metering-services>.

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