

Alisa Toomey
Senor Advisor
Australian Energy Market Commission

Lodged via online portal at www.aemc.gov.au

28 October 2021

Review of the Regulatory Framework for Metering Services

Dear Alisa,

The National Electrical and Communications Association (NECA) welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC) review of the Regulatory Framework for Metering Services.

NECA is a strong supporter of appropriately trained and highly skilled electrical contractors installing smart meters as part of a national smart meter initiative.

Should you have any questions, or wish to discuss this submission further, please contact Paul Brownlee, NECA Policy and Technical Advisor, at paul.brownlee@neca.asn.au or on 0419 294 033.

Yours faithfully



Oliver Judd
Chief Executive Officer

Attachment 1 – AEMC Discussion Paper Questions and answers
Attachment 2 – About NECA

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Attachment 1 – AEMC Discussion Paper Questions and Answers

AEMC Questions	NECA Response
QUESTION 1: BENEFITS WHICH CAN BE ENABLED BY SMART METERS	
<p>(a) Are there other benefits which can be enabled by smart meters that are important to include in developing policy under the Review?</p> <p>(b) What are stakeholders' views on alternative devices enabling benefits? What are the pros and cons of these alternative devices?</p>	<p>a) NECA cannot see any further benefits from what has been identified, but it should be noted that there is significant DNSP benefit from high penetration of smart meters and therefore there is an opportunity for DNSPs to be more involved in the roll out both financially and through the use of their preferred contractors.</p> <p>b) Load control for demand management in South Australia was a success and should be considered as part of a wider roll out utilizing smart meters</p>
QUESTION 2: PENETRATION OF SMART METERS REQUIRED TO REALISE BENEFITS	
<p>(a) Do stakeholders agree that a higher penetration of smart meters is likely required to more fully realise the benefits of smart meters? If so, why? If no, why not</p> <p>(b) Do stakeholders have any feedback on the level of smart meter penetration required for specific benefits? Or to optimise all benefits?</p>	<p>a) Greater penetration will assist all in the electricity industry with Network planning, monitoring, and fault finding. NECA is a firm believer that customers should be able to determine what they need to do in the event of a supply loss or electrical problem as early as they can, and if smart meters can assist in this process and not create additional cost to the customer then we need to continue to explore the ideas.</p> <p>b) No comment</p>
QUESTION 3: TO REACH A CRITICAL MASS IN A TIMELY MANNER, OPTIONS TO ACCELERATE THE ROLL OUT SHOULD BE CONSIDERED	
<p>(a) Do you consider that the roll out of smart meters should be accelerated? Please provide details of why or why not.</p> <p>(b) What are the merits, costs and benefits of each option? Is there a particular option which would be most appropriate in providing a timely, cost effective, safe and equitable roll out of smart meters?</p> <p>(c) How would each of these options for rolling out smart meters impact the cost profiles of smart meters?</p> <p>(d) Are there other options that you consider would better provide a timely, cost effective, safe and equitable roll out of smart meters?</p>	<p>a) NECA supports the smart meter rollout, and supports the acceleration of this rollout. A mandatory rollout of smart meters nationally would give the industry the mandate to install them at a much faster rate.</p> <p>There is no need to reduce life expectancy of meters if we have a national rollout mandate.</p> <p>To improve the rollout AEMC should partner with industry groups like NECA to work through the installation specific issues that electricians face.</p> <p>b) A more wholistic coordinated rollout would be far more beneficial where States or even Federal governing bodies were responsible for the delivery on a broad scale, partnering with industry groups like NECA to instill trust with the electrical contracting industry.</p> <p>A National Authorised Service Provider (ASP, similar to NSW prior to 2017) or authorised contractor scheme or some form of contractor rollout controlled by DNSPs or a National body would also be beneficial to increased smart meter penetration. This would include the use local contractors in regional areas to do</p>



	work which again builds trust in communities and removes fear associated with smart meters.
QUESTION 4: OPTIONS TO ASSIST IN ALIGNING INCENTIVES	
<p>(a) What are the costs and benefits of each option? Is there a particular option which would best align incentives for stakeholders?</p> <p>(b) Are there other options that you consider would better align incentives?</p>	<p>DNSPs have the most to benefit from any smart meter rollout, if they are allowed access to the data at a reasonable cost. A DNSP led smart meter rollout in Victoria led to a reasonably quick rollout. Their lessons learnt should be used to ensure similar mistakes are not made.</p> <p>The use of highly trained and skilled electrical contractors would enable such a mass rollout. Using acceptable market rates to ensure the best installers (electricians are encouraged to carry out this work coupled with the utilization of regional electrical contractors to save on operational costs of travel, fuel etc. would again assist in making this a mutually beneficial and economically viable option.</p> <p>Its only sensible that DNSPs contribute to the cost of any bulk smart meter rollout, however there is also merit in having them control it as they have the required expertise and if an ASP like scheme was established, they could utilize appropriately trained electrical contractors to complete this work</p> <p>Some analysis of the financial aspect shows the following</p> <ul style="list-style-type: none"> • Currently the average non-capital operational cost of the metering at a single NMI in NSW is \$43/pa. • The market price for a single-phase meter replacement is \$250 (Increase to \$300) • Therefore, it would take less than 5 years to recoup this cost and have the smart meter installed. <p>To add to this, if other metering features like neutral integrity detection, and DNSPs being able to “ping” meters when faults are reported, DNSPs would be able to reduce operational costs.</p> <p>Some DNSPs receive over 70,000 calls for assistance yearly where they must attend the customers property. If they were able to use the smart meter technology, there is an operational saving to be had. At \$150/hr for a technician (less then ANS rates) and if 50% of calls could be closed without attending, this would save ~\$5M, assisting in the cost benefit analysis of DNSPs funding and administering the rollout.</p> <p>A significant customer benefit of all this is the reduced burden in times with no power, as they can receive real-time information allowing them to make informed decisions to rectify their problem.</p>



QUESTION 5: THE CURRENT MINIMUM SERVICE SPECIFICATIONS ENABLE THE REQUIRED SERVICES TO BE PROVIDED

<p>(a) Do you agree with the Commission's preliminary position that the minimum service specification and physical requirements of the meter are sufficient? If not, what are the specific changes required?</p> <p>(b) Are there changes to the minimum service specifications, or elsewhere in Chapter 7 of the NER, required to enable new services and innovation?</p> <p>(c) What is the most cost-effective way to support electrical safety outcomes, like neutral integrity? Would enabling data access for DNSPs or requiring smart meters to physically provide the service, such as via an alarm within the meter, achieve this?</p> <p>(d) Do you agree smart meters provide the most efficient means for DNSPs to improve the visibility of their low voltage networks? Why, or why not? What would alternatives for network monitoring be, and would any of these alternatives be more efficient?</p> <p>(e) Can smart meters be used to provide an effective solution to emerging system issues?</p>	<p>a. Yes, but we need to be mindful that there seems to be a push from MPs to allow more metering space on customer boards which creates additional costs</p> <p>b. We need to set up rules for MPs when replacing meters. There are too many reports of customers being stung with unnecessary repairs to old but compliant boards</p> <p>c. The electrical safety of a house and its neutral connection is somewhat an unknown issue for the average customer until it's too late and electric shocks occur. More education by both State and Federal Regulators needs to be considered as part of these rollouts.</p> <p>Historically NSW DNSP's reported around 1,000 reported electric shocks a year, each of which have the potential to be a fatality. This reporting has been tightened to now only include those from Network failures.</p> <p>Ausgrid receives around 70,000 calls for assistance each year where a worker has to attend site, if there was an option to interrogate the meter to determine the location of a fault, this would reduce "cost to serve" for this service. An estimate of costs based on 50% of calls being attributed to behind the meter issues shows a potential saving of \$5.25M a year. Ultimately, DNSPs get the most benefit from this technology and therefore should have some contribution to the cost.</p> <p>d. Yes, and if given access to data it saves time in fault finding, provides customers with real time information on non-outages then it is beneficial. But unless the data is readily available to DNSPs they will not use it.</p> <p>e. Certainly, from a DNSP fault finding ability and DNSP network monitoring there are significant benefits</p>
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QUESTION 6: ENABLING APPROPRIATE ACCESS TO DATA FROM METERS IS KEY TO UNLOCKING BENEFITS FOR CONSUMERS AND END USERS

<p>(a) Do you agree there is a need to develop a framework for power quality data access and exchange? Why or why not?</p> <p>(b) Besides DNSPs, which other market participants or third parties may reasonably require access to power quality data under an exchange framework? What are the use cases and benefits that access to this data can offer?</p>	<p>a) NECA agrees with the concept.</p> <p>b) Regulators could require access to better forecast trends and develop accurate real time research on power usage</p>
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<p>(c) Do you have any views on whether the provision of power quality data should be standardised? If so, what should the Commission take into consideration?</p> <p>(d) Do you consider the current framework is meeting consumers' demand for energy data (billing and non-billing data), and if not, what changes would be required? Is there data that consumers would benefit from accessing that CDR will not enable?</p>	<p>c) No comment</p> <p>d) No comment</p>
<p>QUESTION 7: FEEDBACK ON THE INITIAL OPTIONS FOR DATA ACCESS THAT THE COMMISSION HAS PRESENTED</p>	
<p>(a) What are the costs and benefits of a centralised organisation providing all metering data? Is there value in exploring this option further? (e.g. high prescription of data management).</p> <p>(b) What are the costs and benefits of minimum content requirements for contracts and agreements for data access to provide standardisation? Would such an approach address issues of negotiation, consistency, and price of data?</p> <p>(c) What are the costs and benefits of developing an exchange architecture to minimise one to-many interfaces and negotiations? Could B2B be utilised to serve this function? Is there value in exploring a new architecture such as an API-based hub and spoke model?</p> <p>(d) What are the costs and benefits of a negotiate-arbitrate structure to enable data access for metering? Is there value in exploring this option further? (e.g. coverage tests or nonprescriptive pricing principles)</p> <p>(e) Are there any other specific options or components the Commission should consider?</p>	<p>a) Reducing duplication should reduce costs and therefore make it cheaper to install without making the cost of installation low at the trade installation level</p> <p>NECA is a firm believer in reducing red tape associated with all facets of the electrical industry, from application to installation and energizing new and altered customer installations</p> <p>b) NECA advocates that costs shouldn't be passed onto the customer. The benefits are within the DNSP and Retailers and they should be encouraged to realize the savings internally without passing costs onto customers. Some cost benefit analysis on certain aspects has been provided in earlier questions</p> <p>c) A single view model where applicants, customers and electrical contractors can view process of jobs, upgrades etc. for their business would benefit the entire industry. Further to this, for those customers that want access to their data, they should be able to access it easily and at no cost to them.</p>
<p>QUESTION 8: A HIGHER PENETRATION OF SMART METERS WILL ENABLE MORE SERVICES TO BE PROVIDED MORE EFFICIENTLY</p>	
<p>(a) Are there other potential use cases that third parties can offer at different penetrations of smart meters? What else is required to enable these use cases?</p> <p>(b) Noting recommendations in incentives and the roll out, are there other considerations</p>	<p>a) Having a broader base of approved/authorised electrical contractors able to deploy smart meters on a national scale must be a consideration. This would be adopted in multiple layers with consideration for the following</p> <ul style="list-style-type: none"> - Installation program (rollout) run by either DNSPs or a National body, and not Retailers



<p>for economies of scale in current and emerging service models?</p>	<ul style="list-style-type: none"> - More suitably trained electrical contractors enabled to carry out the work - Allowing these contractors, the ability to carry multiple meters capable of being used on multiple Retailers installations to provide better flexibility and efficiency. - Using local contractors in smaller communities to avoid unnecessary costs and to instill confidence in smart meters within these communities <p>b) Any rollout must not increase the cost to the end customer. DNSP's, Retailers and Metering Providers must start to think laterally to ensure this happens.</p> <p>As mentioned above, returning metering rollouts to DNSP control and mandating smart meter deployment are some steps to enabling this to happen.</p> <p>Other State and Federal initiatives could be used/amended to include smart meters as part of other energy efficient rollouts. This would save on travel and other operational costs. Such programs could include energy efficient programs for low income houses, and community battery initiatives.</p> <p>The current non-capital operational cost in NSW for the ongoing maintenance of non-smart meters is \$43/pa per NMI. If the rollout were to focus on bulk replacements in local areas, the installation costs of meters would be comparable to this ongoing cost. For a single-phase meter replacement market cost of \$250 (Increase to min \$300) then return on investment is under 6 years.</p>
<p>QUESTION 9: IMPROVING CUSTOMERS' EXPERIENCE</p>	
<p>(a) Do you have any feedback on the proposal to require retailers to provide information to their customers when a smart meter is being installed? Is the proposed information adequate, or should any changes be made?</p> <p>(b) Should an independent party provide information on smart meters for customers? If so, how should this be implemented?</p> <p>(c) Should retailers be required to install a smart meter when requested by a customer, for any reason? Are there any unintended consequences which may arise from such an approach?</p>	<p>a) Retailer trust is not high with customers so there needs to be an alternate approach from a respected governing body. State regulators have respect, Safe Work, AER.</p> <p>b) There is still quite a stigma regarding smart meters that needs to be addressed through positive information relating to the end user. Customers want to know what's in it for them and what it will cost.</p> <p>For any ramp up in smart meters there needs to be a renewed education campaign associated with it to build community trust.</p> <p>Utilizing local experienced electrical contractors in regional areas as part of a broader independently run scheme also instills confidence in these communities</p> <p>c) Yes, and at no cost to customers. One consequence could be that the customers switchboard is not capable of installing the new meter and there could be unforeseen costs</p>



QUESTION 10: REDUCING DELAYS IN METER REPLACEMENT	
<p>(a) Do you have any feedback on the proposed changes to the meter malfunction process?</p> <p>(b) Are there any practicable mechanisms to address remediation issues that can prevent a smart meter from being installed?</p>	<p>a) There should be a mandatory deployment of smart meters across the NEM, and not based on age</p> <p>b) If authorised contractors (like ASP's) install these then they can intelligently inform the customer of the issues and provide costs to rectify any safety and non-compliance issues.</p> <p>Retailers have not adequately adapted to Power of Choice since its inception. There needs to be a serious consideration given to realigning with the West Australian model, or the previous NSW ASP model, where DNSPs are responsible. They have the ability to properly resource these mass programs and put diligent checks in place to monitor the outcomes.</p> <p>Retailers have failed to adequately replace failed and faulty meters, with some having customers with faulty meters still in place since 2017.</p> <p>To efficiently cater for metering replacements, the technology needs to adapt to the Australian market so that there is minimal cost to customers.</p> <p>There needs to be better fitting meters to replace the older meters. There cannot be an expectation that customer foot the bill for a failed meter because the metering cannot be produced with some level of flexibility to suit customers</p>
QUESTION 11: MEASURES THAT COULD SUPPORT MORE EFFICIENT DEPLOYMENT OF SMART METERS	
<p>(a) Do you have any feedback on the proposal to reduce the number of notices for retailer-led roll outs to one?</p> <p>(b) What are your views on the opt-out provision for retailer-led roll outs? Should the opt-out provision be removed or retained, and why?</p> <p>(c) Are there solutions which you consider will help to simplify and improve meter replacement in multi-occupancy premises? Should a one-in-all-in approach be considered further?</p>	<p>Ultimately a holistic coordinated approach is needed to successfully deploy smart meters successfully and to the penetration expected. There needs to be benefit to DNSPs to encourage their participation and there needs to be efficient coordination of the available resources to carry out the program of work. As mentioned throughout the submission, electrical contractors are well placed to deliver this providing they are suitably trained, red tape is not created and they are empowered to contribute both ethically and financially.</p> <p>a) If customers are receiving less communication then the communication must be clearer and to the point, not using jargon.</p> <p>These messages need to come from trusted sources with robust explanation of the facts that address myths.</p> <p>b) Mandatory NEM wide rollout at no cost to customers would remove any need to opt out.</p> <p>c) If meters were still owned by DNSPs then there would be less issues to contend with and more flexibility.</p> <ul style="list-style-type: none"> - Contractors having the ability to replace multiple meters for multiple retailers to reduce delays with coordination of MP's



	<ul style="list-style-type: none"> - Metering technology being made for Australian markets where the meters are being made to suit the smaller footprint of older meters. - More work needs to be done with building owners to remove fear of smart meter installation, as well as the cost associated with it. The customers again should not bear the costs. - Also, if rolled out by trusted local contractors with access to smart meters from multiple retailers then this issue could be resolved by experts that handle these situations more frequently than a meter replacement technician -
<p>QUESTION 12: FEEDBACK ON OTHER INSTALLATION ISSUES</p>	
<p>(a) Do you have feedback on any of the other installation issues raised by stakeholders? Are there any other installation issues the Commission should also consider?</p>	<p>NECA members are constantly reporting that current Metering Providers are cutting corners, have poor work ethics and are generally not doing the job expected of such a highly skilled trade.</p> <p>Retailer led profit has become the driver for smart meters, at the expense of the efficiencies of what smart meters can deliver to an electricity network for all users, DNSPs, Retailers and customers.</p> <p>Self-interested industry led bodies are trying to influence and create rules and installation standards in an attempt to manipulate industry rules to reduce what is “in scope” for electrically qualified workers so that there is a lower cost to install meters.</p> <p>The prices paid for metering works is not representative of the industry expectation, therefore the incentive for quality electricians to carry out the work is low.</p>
<p>QUESTION 13: IMPROVEMENTS TO ROLES AND RESPONSIBILITIES</p>	
<p>(a) Are there any changes to roles and responsibilities that the Commission should consider under this review? If so, what are those changes, and what would be the benefit of those changes?</p>	<p>There should be strong consideration to the establishment of a contractor lead scheme administered by a federal regulator or DNSP’s that can deliver metering replacements, installation or upgrades for multiple Retailers at a local level that can be deployed nationally.</p> <p>This scheme would also oversee rates to ensure compliant, safe and efficient installations and enable more interest from quality electrical contractors.</p> <p>Further to the above, it must be reiterated at both State and Federal level that all work within a customer switchboard (where smart meters are located) is electrical contracting work and therefore must be undertaken by licensed electricians.</p>



Attachment 2 – About NECA

The National Electrical and Communications Association (NECA) is the peak body for Australia's electrical and communications sector, which employs 170,000 workers¹ and turns over more than \$23bn annually.² We represent almost 5,500 businesses performing works including the design, installation and maintenance of electrical and electronic equipment in the building, construction, mining, air conditioning, refrigeration, manufacturing, communications and renewables sectors.

NECA has advocated on behalf of the electrotechnology industry for over 100 years. We help members and our industry operate their businesses more effectively, and represent their interests to all levels of government, regulators and other bodies such as the Australian Chamber of Commerce and Industry (ACCI) and Standards Australia.

NECA members make an essential economic contribution – connecting businesses, homes and infrastructure – encouraging investment, improving reliability and energy security, and delivering affordable, environmentally sustainable outcomes. The safety and reputation of our industry is critical to all tradespeople, consumers, and the community.

NECA is integral to the next generation of electrical contractors. Through our Registered Training Organisations (RTOs) and Group Training Organisations (GTOs), we offer employment and skills development to some 4,800 apprentices nationally. Our success is clear: we proudly boast 90% completion rates across our courses, with roughly one in three licensed electrical workers starting their career as a NECA apprentice.

NECA helps attract entrants to our industry through holistic, high-quality, industry-relevant programs including our scholarship program, the NECA Foundation, and the Women in Electrical Trades Roadmap. We proactively seek diverse workforces, supporting female, indigenous and mature aged apprentices, and promoting career paths for school students and school leavers. We also operate the industry-wide NECA Annual Excellence Awards, which acknowledge and celebrate achievements and distinguished electrotechnology projects, and NECA's Apprentice Awards, recognising future leaders in our industry.

NECA continues to monitor and respond to the Coronavirus (COVID-19) crisis on behalf of our members and the electrotechnology sector, and is working with industry, government and the community to achieve a COVID-19 safe economy and swift national recovery.

¹ Australian Government 'Job Outlook'. (July 2020) (Telecommunications Trades Workers) <https://joboutlook.gov.au/Occupation?search=alpha&code=3424> and (Electricians) <https://joboutlook.gov.au/Occupation?search=alpha&code=3411>

² Ibis World 'Electrical services in Australia Industry Statistics (May 2020) <https://www.ibisworld.com/au/industry/electrical-services/325/>