



QUEENSLAND FARMERS' FEDERATION

Primary Producers House, Level 3, 183 North Quay, Brisbane QLD 4000
PO Box 12009 George Street, Brisbane QLD 4003
qfarmers@aff.org.au | 07 3837 4720
ABN 44 055 764 488

Submission

27 October 2021

Australian Energy Market Commission
GPO Box 2603
SYDNEY NSW 2001

Via email: Peter.Thomas@aemc.gov.au and

Via website: <https://www.aemc.gov.au/contact-us/lodge-submission>

Dear Sir/Madam

Re: Directions Paper on the Review of the Regulatory Framework for Metering Services (16 September 2021)

The Queensland Farmers' Federation (QFF) is the united voice of intensive and irrigated agriculture in Queensland. It is a federation that represents the interests of 21 peak state and national agriculture industry organisations and engages in a broad range of economic, social, environmental and regional issues of strategic importance to the productivity, sustainability and growth of the agricultural sector. QFF's mission is to secure a strong and sustainable future for Queensland farmers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland (NGIQ)
- Queensland Dairyfarmers' Organisation (QDO)
- Australian Cane Farmers Association (ACFA)
- Queensland United Egg Producers (QUEP)
- Turf Queensland
- Queensland Chicken Meat Council (QCMC)
- Bundaberg Regional Irrigators Group (BRIG)
- Burdekin River Irrigation Area Irrigators Ltd (BRIA)
- Central Downs Irrigators Ltd (CDIL)
- Fairbairn Irrigation Network Ltd
- Mallowa Irrigation Ltd
- Pioneer Valley Water Cooperative Ltd (PV Water)
- Theodore Water Pty Ltd
- Eton Irrigation Scheme Ltd
- Pork Queensland Inc
- Tropical Carbon Farming Innovation Hub
- Lockyer Water Users Forum (LWUF)
- Queensland Oyster Growers Association.

The united voice of intensive and irrigated agriculture



QFF welcomes the opportunity to provide comment on the Australian Energy Market Commission's Directions Paper on the Review of the Regulatory Framework for Metering Services. We provide this submission without prejudice to any additional submission from our members or individual farmers.

Background

QFF understands that the Power of Choice package of reforms were designed to provide NEM-connected electricity consumers with more options and control of how they use and manage electricity. These reforms were initiated following the 2012 Australian Energy Market Commission (AEMC) Power of Choice review. Essentially, the job of installing and maintaining electricity meters was transferred from Distributed Network Service Providers and transferred to electricity retailers.

Since then, QFF notes that the AEMC has made several rule changes to support the recommendations of the Power of Choice review, including rules to introduce competition in metering services and to reduce barriers to embedded network customers accessing offers from electricity retailers through an embedded network manager role, with these rule changes coming into effect from 1 December 2017.

All new and replacement electricity meters in Queensland are required to be smart meters. The principle of a smart meter was to provide consumers with more options on how they use and manage electricity and to facilitate additional access to a wider range of energy services. It is the role of the electricity retailer to choose a contractor, known as a metering coordinator, who installs and maintains the smart meter.

QFF understands the increasingly complex operational conditions within the NEM, including peak demand and a falling minimum demand. A driver for the Power of Choice reforms was to increase demand-side participation (changing the way people pay for grid electricity) so to discourage use during periods of peak demand and reduce the stress on the grid, thus avoiding costly new infrastructure or infrastructure upgrades.

While the aim of the Power of Choice was worthy, in practice, the benefits to electricity consumers have not materialised. In fact, electricity retailer and tariff choices have become more complex, and the transparency of the costs associated with those choices has decreased.

Queensland's Agricultural Sector

Due to the complexity of activities requiring electricity and the large land areas associated with many farms, agricultural businesses are known to have multiple electricity meter points (NMIs). NMI proliferation has also been encouraged by Queensland's regional monopoly electricity retailer as a strategy for customers retaining access to small customer tariffs which are highly favourable to large customer tariffs. Queensland maintains a 100MWh small customer threshold and many micro and small farming businesses would exceed this threshold on a single meter. As a result, it is not unusual for many of Queensland's farms to have 30-50 NMI's.

To access preferential electricity tariffs, a smart meter is required. Farmers have experienced additional costs ranging between \$5,000-\$10,000 when having a smart meter installed due to out-of-date meter casings (the meter box is hinged on the horizontal rather than vertical), non-compliant wiring to current standards (which is still safe but does not meet new wiring standards), removal of asbestos backboards and a range of other issues. For farms with multiple NMI points, the costs of installing smart meters are excessive, leaving them trapped on expensive tariffs.

One of the benefits of smart meters (with telemetry) was the opportunity for remote meter readings. This was seen as a benefit to reduce costs of meter readers visiting remote areas as well as managing

the safety risks posed by visiting farms which tend to be inherently hazardous environments due to a range of factors (remoteness, animals, wildlife, climatic factors, machinery). Remote meter readings would also reduce biosecurity risks for farms. Despite these benefits, farms are still receiving physical visits to each of their NMIs for reading. QFF has been informed that smart meters do not have the capacity to be read remotely despite initial assurances. QFF has written to Energy Queensland on several occasions to report breaches of the General Biosecurity Obligation (GBO) under Queensland's *Biosecurity Act 2014* by meter reader personnel.

Under the *Biosecurity Act 2014 (Qld)*, individuals and organisations whose activities pose a biosecurity risk have a legal responsibility to manage them and must take all reasonable steps to ensure that they do not spread a pest, disease or contaminant. There have been numerous reported breaches of meter readers accessing clearly signed biosecurity areas without even complying with the mandatory notification requirements.

Given the telecommunications blackspots across Queensland and the significant areas where data signals are too weak to support telemetered devices, smart meters that are capable for remote reading appear aspirational.

QFF also remains critically concerned about the level of information available to, and understanding amongst many small business owners with regards to their electricity consumption and pattern of consumption. Despite undertaking smart meter upgrades on a number of farms through the early stages of our awarded Energy Savers Program (<https://www.qff.org.au/projects/energy-savers/>), our internal energy experts quickly realised that the smart meters (despite a range of different configurations), did not provide farms with the information required to make consumption, equipment or tariff choices; and provided no productivity benefits what so ever.

As a result, QFF has now purchased and installed over 150 watt-watcher and similar devices on farms which provide real time, usable data on a range of dashboards which are easily accessible to farmers. There is an expanding range of electricity use monitoring devices on the market which are cheaper to purchase and install than a smart meter; with the added benefit of providing real-time information in a useable format. They are also flexible with connectivity options, operating on limited signal strength or on narrow band.

Further Limitations

QFF collaborates with numerous consumer advocacy bodies and is an active member of Energy Queensland's Customer Panel. Through these interactions, QFF understands that there have been delays in electricity smart meter installations across all sectors and unethical behaviour from electricity retailers particularly those also providing technology installations (such as solar panels).

Retailers have a financial incentive to delay the installation of new meters when households and small businesses install solar PV because the longer it takes for the meter to be changed and the solar power system to be switch on, the longer the customer will spend consuming only grid electricity. Retailers can also abuse their power over smart meter installations to give an unfair and unethical advantage to their own solar installation businesses and attempt to attract the customers of solar installers when they are forced to call them to arrange a meter change.

QFF also understands that both technology providers (solar panel providers) and retailers, particularly where the two overlap have also initiated tactics to drive smart meter installation regardless of if the customer wants it or not. The Power of Choice must be customer initiated, yet there are no penalties for retailers who abuse their authority.

Most electricity consumer (household and business) struggle to understand tariff design. Demand use tariffs are complex, and that complexity frequently catches out consumers, while time of use tariffs penalise consumers who are unable to be flexible in the times of their electricity consumption. More tariffs, particularly beneficial tariffs, or access to regular payment plans with discounts, require smart meters. For vulnerable customers, finding the capital to install a smart meter is significant and the risks associated with additional electricity upgrades to facilitate meter installation act as further a deterrent.

Recommendations

QFF suggests a system of compensation that is automatically given to anyone (household or business) whose electricity meter is not installed in a reasonable period (under 20 days). This way, neither the consumer's time or retailer's time will be wasted by compensation claims and no one will miss out on compensation simply because they did not have the capacity or resources to contact the Energy and Water Ombudsman Queensland.

Smart meter installers must not 'cold call' prospective meter customers. QFF has received notification that some meter owners are being pressured into replacing their meters unnecessarily. Meter installers must only enter a property where invited.

QFF does not support the mandatory aged-replacement roll-out of smart meters unless there is full funding for the installation of the meter and any additional associated costs. It is highly likely that if the meter is 30 years old plus, then the associated wiring and meter casing will not be compliant with current wiring and other rules. This does not mean that it is electrically unsafe. However, where there is electrically unsafe infrastructure, the owner has a duty to replace and fund that work.

Finally, QFF questions why the AEMC would want to endorse a 'more efficient roll-out of smart meters' where in many cases, they are not fit for purpose and cheaper technology options are available.

If you have any questions about this submission, please do not hesitate to contact me directly at georgina@qff.org.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'georgina', written in a cursive style.

Dr Georgina Davis
Chief Executive Officer