Forum summary

Accelerating smart meter deployment

2 May 2024

OVERVIEW

On 2 May 2024, the Australian Energy Market Commission (AEMC) hosted a virtual public forum on our draft determination for the *Accelerating smart meter deployment* rule change.

The AEMC Chair, Anna Collyer chaired the forum and over 200 stakeholders attended.

During the forum, stakeholders had the opportunity to ask questions about the rule change. A summary of the discussion relating to the rule change is outlined below. We have consolidated questions addressed to the AEMC, and our responses.

Due to technical difficulties on the day, we are unable to identify all stakeholders who asked questions. Those who have further questions may reach out to the project team by contacting Julia Cassuben: Julia.Cassuben@aemc.gov.au.

We encourage stakeholders to provide their feedback on the rule change through the submission process.

SUMMARY: QUESTIONS AND ANSWERS

Stakeholders asked about what communication strategies the AEMC has discussed with jurisdictional governments to ensure a positive customer experience and a smooth roll-out.
The Review of the regulatory framework for metering services (Metering review) recommended a broad communication strategy for the accelerated deployment of smart meters. The AEMC is acting on this recommendation in partnership with Energy Consumers Australia (ECA). As part of this initiative, we have convened two steering committees, one with jurisdictions and another with industry representatives, to develop a narrative, consistent messaging, and shared communication materials for the accelerated rollout. Currently this project is in its early stages; the AEMC and ECA will continue to work closely with steering committee colleagues to progress this important work.
Stakeholders asked about the commencement date for the new 'shared fusing' procedure, and enquired why it was due to start prior to the commencement of the acceleration program.
The AEMC noted stakeholder concerns regarding the shared fusing procedure start date, and advised that it is actively considering these concerns and an extension of the start date.
Stakeholders asked when metering data providers would be obligated to send distribution network service providers (DNSPs) power quality data (PQD).
The current commencement date under the draft rule is 26 June 2025.
Stakeholders asked whether it is the AEMC's intent that draft rule 59A(2) requires a retailer to wait at least four business days before installing a customer's meter, even if the customer provides consent.
The AEMC advised that this is the current position but that we are open to feedback on this matter, and considering whether the rule should apply when a customer consents to the new meter installation.
Stakeholders asked about what happens to residual legacy meters and customers concerning roles and responsibilities after 2030, when the accelerated deployment period ends.

Following the acceleration period, the current framework of retailer-led meter deployments would resume, noting that the proposed acceleration reforms are primarily contained in transitional rules. Some arrangements however would continue beyond the acceleration period, such as the requirement for retailers to fulfill a customer request for a smart meter for any reason.
Stakeholders asked about the frequency of PQD and the distinction between basic and advanced PQD.
PQD is defined in the draft rule as including voltage, current, power factor (which may be represented as a phase angle) and is envisioned to be collected and delivered once per day. The service, delivery and format of basic PQD is intended to be managed in AEMO procedures.
Stakeholders asked about retailer access to metering data.
Aside from the proposed changes regarding PQD, this draft determination would not make any changes to existing data arrangements, including retailer data arrangements. End user access to metering data was not included in the rule change request. The AEMC is expecting a separate rule change request regarding real-time data access, and remains committed to its recommendations regarding real-time data access in the Metering Review.
Stakeholders asked about time of use (ToU) tariffs and their impact on social licence for smart meters.
Social licence will be critical in achieving a successful accelerated deployment of smart meters. This is why the draft determination includes a range of new customer safeguard provisions that would increase the notification and information that customers are provided ahead of a tariff change, so that customers are better supported to make decisions that best meet their needs. The AEMC also welcomes feedback on these customer safeguards.
Stakeholders asked about site remediation issues, including whether customers could be forced to remediate their site.
The AEMC made recommendations in the Metering Review about jurisdictions supporting customers with the cost of site remediation, particularly vulnerable customers. We are actively engaging with jurisdictions on this and will continue to do so. We noted that it is a decision for the customer regarding whether to remediate their site. The draft rule does not and cannot compel a customer to remediate.
Stakeholders asked about the operating model for smart meter deployments.
We are proposing to use a new Legacy Meter Retirement Plan approach to deploy smart meters across the acceleration period. This would involve DNSPs consulting closely with retailers and other stakeholders to develop a plan to replace legacy meters over the acceleration period. Retailers would then engage MCs to deliver the rollout.
Stakeholders asked about what would happen when a DNSP meter fails and needs to be replaced, but the site requires remediation and the customer is unwilling to pay.
The AEMC noted that this was not an issue that was raised in the rule change request. Under such circumstances, it is expected that the current arrangement of estimated meter

reads would apply for a set period after which disconnection may be warranted if the defect was not fixed.
Stakeholders asked about the timing requirements and potential resource constraints on DNSPs with high volumes of shared-fuse sites.
The AEMC acknowledged that some areas may have a higher volume of shared-fused sites, and noted that we are open to feedback regarding the proposed timeframes for DNSPS for shared-fused sites in the draft rule.
Stakeholders raised a question on retailer notice and DNSPs changing the underlying network tariff.
The extended 30-day notification period aims to balance the risks to retailers of a misalignment of timing with the network tariff structure, and giving customers an adequate notification period. Consideration of this issue was included in the Metering Review final report.
Stakeholders mentioned the ACCC's REPI Report recommended retailers be required to retain the choice of a flat rate tariff for smart meter customers and that the AEMC has decided not to implement this recommendation.
We consider that retail market competition is the appropriate mechanism to promote consumer choice. Nevertheless, the AEMC encourages a submission to the draft determination so these matters can be explored and considered further.
Stakeholders asked if a review of the national labour market capacity to deliver within the timeline scope considered as part of this proposal.
The AEMC advised that whilst this was not specifically considered as part of the Metering Review, the acceleration program was designed and will be delivered through a consultative process involving the entire supply chain. The Legacy Meter Retirement Plan approach requires the distribution network business to consider workforce planning, including in regional areas. Distributors must consider how the parties will utilise local work forces in a way that avoids moving installers every year or creating a local boom-bust cycle, and labour market conditions for electricians and the supply of metering components.
Stakeholders raised the one-in-all-in approach for multi-occupancy sites may work for 10 or fewer customers but more would likely lead to multiple or extended outages. They also asked what considerations have been given to customers impacted and may not necessarily wish to have a smart meter.
Following extensive consultation, the Metering Review found that the industry should take a principled approach, whereby the number of supply outages is minimised. As part of the proposed changes, customers would not have the option to opt-out of a smart meter.
Stakeholders raised the issue of retailers passing smart meter costs onto customers via ongoing bills.
We are proposing to prohibit upfront costs for new smart meters as part of these reforms so that retailers smooth costs over the customer base over a period of time. It is anticipated that the competitive retail market will discipline the amount that retailers can and will pass on to consumers. The AER also plays an important role in monitoring and enforcing retailer compliance with their pricing obligations.
Stakeholders asked whether the AEMC intends to fast-track the real-time data access rule change, once it is received.

There are requirements that must be met for the AEMC to fast-track a rule change and drafting instructions were not developed for the real-time data recommendations as part of the Metering Review.
Stakeholders asked the AEMC to clarify which jurisdictions we intend the LMRP rules to apply, and the mechanism to avoid it applying in jurisdictions where it is not intended to apply.
Currently, these rules would apply to all jurisdictions. However, it is the intent that the LMRP rules would have little to no effect in Victoria given it has completed its advanced meter rollout. We also note that Tasmania is near completion of its own roll out and will likely be close to completion when the acceleration period starts. As such, the LMRP rules similarly would have little effect in Tasmania. The AEMC is continuing to engage with relevant parties in different jurisdictions to ensure the rules operate appropriately and do not have any unintended consequences.