30 May 2024

Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Via online lodgement – www.aemc.gov.au

Draft rule determination – Accelerating smart meter deployment rule (ERC0378)

Alinta Energy welcomes the opportunity to respond to the Australian Energy Market Commission's draft rule determination on accelerating smart meter deployment. As a joint rule proponent, Alinta Energy strongly supports the deployment of smart meters to allow the provision of new products and services for our customers and support the energy transition. The making of effective and efficient rules governing an accelerated roll out is key to meeting the objectives of the roll out in alignment with the National Energy Objective.

The draft rule will support the objectives of an accelerated roll out, however specific elements (not included in the proposed rule) should be examined for further improvement. For example, we believe some of the reporting requirements proposed will place an unnecessary regulatory burden on retailers and there may be alternatives that meet the objectives of transparency and tracking against targets that would limit this burden, including through the Australian Energy Market Operator.

The provision of additional information, including timeframes for changes to retail tariff structures will contribute to community acceptance of smart meters and their benefits. The minimum notice timelines and the changes to network and retail tariff structures should be aligned.

The collaborative process for Legacy Meter Replacement Plans between distribution networks, retailers and meter parties is strongly supported and will support the accelerated roll out by encouraging industry coordination and improved efficiencies.

Specific responses to questions set out in the issues paper are set out below. Alinta Energy would welcome further discussion of this response with the Commission, please contact David Calder (David.Calder@alintaenergy.com.au) in the first instance.

Yours sincerely

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Section 3.1.1 - Universal uptake by 2030

The Commission's acknowledgement that a one hundred per cent roll out of smart meters in the relevant jurisdictions and distribution networks by 2030 may face challenges is important.[1] Site remediation is one of the obvious challenges that will need to be addressed to achieve a near-universal deployment. The cost of remediation under the Victorian mandatory deployment of smart meters was embedded in the overall roll out cost. Recognising this will not be possible in the jurisdictions subject to the rule change, it is incumbent on State Governments to actively address this risk to smart meter deployment and community acceptance.

Financial support from governments to support vulnerable customers to remediate defects at their premises would be a key element of any remediation policy. Alignment across jurisdictions would also support consistent customer expectations and uniform experience.

Section 3.1.2 Industry collaboration on planning and delivery - Legacy Meter Replacement Plans

Alinta Energy supports the development of legacy meter replacement plans by distribution network service providers in close consultation with retailers and Metering Coordinators (including Metering Providers and Metering Data Providers). The publication of LMRPs on the Australian Energy Regulator's website will build confidence and support the social licence of the roll out as identified by the Commission.[2]

We also support the LMRP principles set out in the draft determination. As part of the submission of proposals, where views of retailers or metering parties diverged or dissented from the approach adopted by DNSPs, these need to be clearly set out and communicated to the AER in the LMRP proposals submitted.

The use of the Market Settlements and Transfer Solution to record and communicate LMRP schedules is appropriate and would minimise regulatory burden for market participants.

Section 3.1.3 - Reporting against targets

Alinta Energy agrees reporting progress against targets is important to achieve transparency and accountability. While the existing retailer performance reporting framework may seem a logical place to assign reporting, we do not believe it is efficient for retailers to report their individual progress when AEMO has all the data that the AER requires, including:

- National Meter Identifier;
- Meter type;
- Change request type and dates;
- Current and incoming financial responsible Market Participants;
- Metering Coordinator, Metering Provider and Metering Data Provider;
- The DNSP; and
- The LMRPs.

This information would allow the AER to monitor individual retailer's performance against targets. Should the AER require further information from a specific retailer, there may be a case to approach individual retailers for further data, context, or clarification (for example, if it is clear a particular retailer has deviated from its LMRP interim target).

Given that MSATS is a suitable 'single source of truth' for LMRPs, we believe the simplest solution to reporting would be for AEMO to provide the data it holds (which is current and live) to the AER. This would avoid the regulatory burden of imposing new reporting obligations on dozens of retailers and metering parties. This approach would be consistent with the light-handed approach adopted for the LMRPs.

We support civil penalties applying only to the final 2030 target, but not interim targets. This is consistent with the light-handed approach to regulatory oversight applied to the LMRPs and recognises the

[1] AEMC (2024), *Draft Rule Determination – Accelerating Smart Meter Deployment*, page 10.
[2] Ibid., page 12.

flexibility needed to ensure the accelerated roll recognises the different circumstances facing market participants.

Section 3.2.1 - Providing better access to power quality data

We understand that AEMO has recommended that the implementation date for changes involving PQD be delayed until May 2026 (the current draft rule commencement date is 26 May 2025). This would allow the development of PQD processes to be hosted on AEMO's new IDX platform. This will allow participants more time implement changes and allow industry to also concentrate on the more immediate changes associated with the accelerated roll out.

Section 3.3. - Providing customer safeguards

Greater access to pricing information

While the 30-business day notification period to advise customers of new pricing information and structure of their tariff following the installation of a smart meter provides additional safeguards for customers, these are often triggered by the network tariff assignment policy of individual DNSPs.

The draft (National Energy Retail) rule:

- Implies that the new network tariff will apply from the time of meter installation according to a DNSPs tariff assignment policy under their Tariff Structure Statement, *not* at the expiry of the 30-business day notification period; and
- In doing so, exposes retailers to the shape and volume risk of the new network tariff, which will be inconsistent with the (most likely) flat network and retail tariff that was associated with the customer's type 6 (basic) meter.

Though not raised in the proposed rule, in the interests of equity, the network tariff should not apply until the expiry of the 30-business-day notice period. To not do so imposes additional risk on retailers, through the misalignment of network and retail tariffs, which is likely to lead to the potential for risk premiums added to existing (generally flat) tariff structures to manage any disconnect between these tariff structures.

In relation to providing estimates of a customer's historical bill under the varied tariff structure compared to the bill they received under their existing tariff; interval meter data will need to be available (as discussed in the rule change request and acknowledged by the AEMC in its draft determination).[3] The practical effect of the draft rule in the NERR will mean in most cases, this information cannot be meaningfully provided until a sufficient history of interval data is available and therefore a period of time (up to 12 months) has elapsed to account for seasonal variation.

Application of notice

The draft retail rules do not make it clear if the 30-business day notice period applies to every installation of a smart meter, or only to those installed under the relevant LMRP (as set out in the rule change proposal).[4]

Section 3.4 - Improving the customer experience in metering upgrades

Additional information provided prior to a smart meter upgrade

Draft rule 59A(2) as proposed does not differentiate a LMRP deployment from a fault, customer initiated or retailer-led meter installation. The rule should make clear that it does not apply to meter faults or customer-initiated meter installations, both of which have existing and documented treatments approaches. Therefore, we recommend that the words "even where it is not a *new deployment*" in draft rule 59A(2).

[3] Intellihub, SA Power Networks & Alinta Energy (2023), *Rule change request: Accelerating the deployment of smart meters and unlocking their benefits*, page 11., AEMC op. cit., page 22.
[4] Intellihub, SA Power Networks & Alinta Energy, Ibid., page 28.

The information set out in Box 8 set out in the Draft Rule Determination, particularly in relation to the benefits of smart meters should be supported by a reference to a website hosted by the AER. This would allow consistency of messaging relating the accelerated deployment of smart meters and contribute to consumer education. A smart energy website was a key recommendation of the Commission's Final Report into the review of metering services.[5]

Section 3.5 - Reducing barriers to installing smart metres and improving industry coordination

Opt-out of meter deployment and retailer notices

We support the changes to the opt-out provisions and the simplification of the notice requirements involved in the installation for a smart meter. This will assist industry to reach the accelerated deployment targets by June 2030.

Shared fuse meter replacements

The coordinated approach set out in the draft rules will improve efficiency and reduce the incidence of repeated site visits and the added cost of these for customers metered from a shared fuse connection.

We note the Shared Fusing Replacement Procedure has a draft commencement date of 22 January 2025. However, the consultation for the Information Exchange Committee and B2B working group on procedures to support this change will not be effective until May 2025. As such, we recommend the commencement date needs to be pushed back to the consultation effective date or ideally to 1 July 2025. This will allow time for participants to implement changes and test adequately before rule commencement.

[5] AEMC (2032), Review of the Regulatory Framework for Metering Services, page vii, page 71 [recommendation 2(1)(b)].