Caravan & Camping INDUSTRY ASSOCIATION NSW | Manufactured Housing INDUSTRY ASSOCIATION NSW | Land Lease Living INDUSTRY ASSOCIATION NSW

30 May 2024

Ms Julie Cassuben
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2001

Lodged online: https://www.aemc.gov.au/contact-us/lodge-submission

CCIA NSW SUBMISSION ON ERC0378 ACCELERATING SMART METER DEPLOYMENT

Dear Ms Cassuben

The Caravan, Camping & Touring Industry & Manufactured Housing Industry Association of NSW (CCIA NSW) welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC) draft determination and draft rule for the *Accelerating Smart Meter Deployment Rule Change.*

CCIA NSW is the state's peak industry body representing the interests of over 500 holiday parks and residential land lease communities (residential parks, including caravan parks and manufactured home estates), as well as over 200 manufacturers, retailers and repairers of recreational vehicles (RVs, including caravans, campervans, motorhomes, camper trailers, tent trailers, fifth wheelers and slide-ons), camping equipment suppliers, manufacturers of relocatable homes and service providers to these businesses.

Many holiday parks and residential land lease communities in NSW have embedded networks supplying and on-selling electricity to occupants of short-term accommodation and/or residential customers. Under the Australian Energy Regulator's (AER) *(Retail) Exempt Selling Guideline, Version 6, July 2022* (Retail Guideline) and *Electricity Network Service Provider – Registration Exemption Guideline, Version 6, March 2018* (Network Guideline) these embedded networks operate in exemption classes D3, ND3 and R4, NR4 respectively.

In providing our response to the draft determination and draft rule, CCIA NSW recognises the intention of providing customers with earlier access to the benefits offered by smart meters, as well as supporting the transition of the National Electricity Market (NEM) to a renewable energy system and achieving a net zero emissions reduction target.

Smart meters are part of the critical infrastructure for this transition, and we broadly support new regulatory arrangements to require metering coordinators and meter providers, as directed by retailers, to replace all existing Type 5 and Type 6 metering installations ('legacy' meters) with a Type 4 ('smart' meter) meter by 30 June 2030. Smart meters offer many benefits, including accurate billing, enabling time of use and demand-based pricing, remote monitoring and diagnostics and more.

While the AEMC's goal of achieving universal smart meter uptake by 2030 is commendable, it is essential to recognise the unique circumstances of embedded networks, especially those in caravan parks and manufactured home estates (also known as residential land lease

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communities). These embedded networks should be excluded from this ambitious target due to several limitations and challenges:

1. **Diverse Network Structures:**

Embedded networks vary significantly in size, complexity, and ownership. Unlike large-scale distribution networks, which serve entire suburbs or regions, embedded networks in caravan parks and manufactured home estates cater to smaller communities within a confined area.

As such, the network design is tailored to the specific needs of occupants and residents. Implementing universal smart metering across such diverse structures would be logistically challenging.

2. **Physical Constraints:**

Many caravan parks and manufactured home estates have limited physical space. Powerheads and switchboards have traditionally been designed to be as compact as possible and manufacturers have tried to source the smallest electrical components available.

Type 4 ‘smart meters’ are unlikely to physically fit in many existing set ups and retrofitting existing infrastructure to accommodate smart meters may require significant modifications or even replacement of outdated systems.

Space constraints also affect the installation of communication infrastructure necessary for smart meter functionality. Many existing meters within caravan parks and manufactured home estates are simple, accumulation meters and do not ‘communicate’ with the parent smart meter (or meters). This was normal practice when developments were established, some many years ago.

3. **Cost Considerations:**

The cost of deploying smart meters extends beyond the meter itself. It includes meter procurement, installation, communication infrastructure, data management systems, and ongoing maintenance.

For smaller embedded networks, these costs can be disproportionately high. Caravan parks and manufactured home estates often operate on tight budgets, making such investments challenging. It is likely that major infrastructure changes would be needed to accommodate smart meters in many existing caravan parks and manufactured home estates, imposing significant costs on operators.

4. **Ownership and Responsibility:**

Embedded networks are typically privately owned or managed by a single entity (e.g., park management). Unlike public distribution networks, where utilities oversee metering, embedded networks rely on the responsible party to implement changes.

Coordinating smart meter deployment across multiple stakeholders within an embedded network will be complex.

5. **Data Privacy and Security:**

Smart meters collect granular data on energy consumption. Ensuring data privacy and security is crucial, so operators would need to apply robust data management practices, including

anonymisation, encryption, and access controls. This could be challenging for smaller embedded network operators with less sophisticated systems.

In caravan parks and manufactured home estates, residents also have direct relationships with the embedded network operator. Balancing data access and privacy rights becomes more complicated.

We therefore support the draft rule excluding embedded networks from the Legacy Meter Retirement Replacement Plan process to deploy smart meters across the National Electricity Market by 2030.

A nuanced approach is necessary for embedded networks. Excluding them from the AEMC's target for universal smart meter uptake by 2030 acknowledges their challenges and ensures a fairer transition to smart metering.

However, we recognise that customers and operators of caravan parks and manufactured home estates should have the opportunity to take part in, and receive the benefits of, the energy transition. Customer demand for the benefits that smart meters can provide is likely to keep growing in these developments and smart meters would also allow operators to better monitor electricity usage across sites and communal facilities, enhance billing accuracy and enable better load management during peak times.

The challenges and limitations outlined above require further exploration in consultation with the industry. The full ramifications of deployment, and the appropriate timeframe, needs to be understood in the context of the different types of embedded networks. Cost sharing arrangements and different party responsibilities also need to be determined.

CCIA NSW is open to participating in constructive dialogue with the AEMC, the AER and other stakeholders on how progress for embedded networks could be made without disadvantaging embedded network operators and customers.

We make the following recommendations if and when energy regulators consider accelerating smart meter deployment in embedded networks:

1. **Adopt a nuanced approach and phased timeframe** - rather than imposing a universal deadline, allow embedded networks to adopt smart meters gradually. Allow for exemptions or extended timelines based on network size and complexity.

   In addition, provide tailored support for smaller embedded networks, like caravan parks and manufactured home estates, and encourage pilot projects to assess feasibility and address specific challenges.

2. **Provide financial incentives or grants** - to offset the costs of smart meter deployment in embedded networks, particularly in caravan parks and manufactured home estates which provide an important source of housing for people. This should involve collaboration with industry to design funding mechanisms.

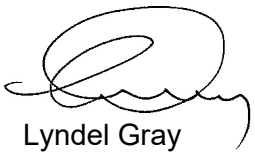
3. **Provide technical guidance and resources to embedded network operators** - including best practices for installation, data management, and cybersecurity and foster collaboration between embedded network operators, manufacturers, and technology providers.

CCIA NSW appreciates the opportunity to provide feedback on the AEMC's draft determination and draft rule for the *Accelerating Smart Meter Deployment Rule Change*.

Should you wish to discuss the issues raised in this submission please contact Shannon Lakic, General Manager Policy & Engagement, on 0410 651 782 or email shannon.lakic@cciansw.com.au.

We look forward to our continued engagement with the AEMC in the consultation process.

Yours sincerely



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