

Accelerating Smart Meter Deployment

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Master Electricians Australia (MEA) is the trade association representing 3500 primarily small and medium electrical contractors and are recognised by industry, government and the community as the electrical industry’s leading business partner, knowledge source and advocate. You can visit our website at www.masterelectricians.com.au

MEA supports the AEMC’s *Legacy Meter Replacement Plan* (LMRP) objective to “replace all Legacy Meters with type 4 metering installations in a timely, cost effective, fair and safe way during the LMRP [Legacy Meter Replacement Plan] Period”¹. The private electrical industry is ready to support the achievement of the LMRP.

MEA have long promoted that digital smart meters provide consumers with the measurement infrastructure, designed to promote choice and efficiency in the delivery of energy to the end point consumer. Unlike traditional meters, smart meters allow for real time, incremental measurement and detection of energy flow. MEA believes these are necessary for achieving Australia’s commitment towards reducing carbon emissions.”²

Consumer Energy Resources (CER) are critical assets towards combating climate change and are key to achieving NEO and NEROs’ objectives. However, roadblocks inhibit the full optimisation of these benefits. In particular, smart meters have experienced “process inefficiencies in smart meter deployments, leading to higher costs”³. MEA advocates “licensed electrical contractors should be recognised as Accredited Service Providers (ASPs) to install, test and maintain type 4 meters. This would reduce connections times, improve consumer experience, reduce smart-meter roll out costs and help facilitate a swifter transition to a responsive electricity grid that can take advantage of CER opportunities.”⁴

The Power of Choice metering reforms that began in the 2017⁵ have not delivered on the promise of innovative energy products and cheaper electricity pricing. All new and

¹ Cl 11.[XXX].1, sch 3, *Draft National Electricity Amendment (Accelerating smart meter deployment) Rule 2024*.

² Chris Lehmann & Georgia Holmes “Draft National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024 *Master Electricians Australia* [10 April 2024]

³ “Draft rule determination National Electricity Amendment (Accelerating Smart Meter Deployment) Rule *Australian Energy Market Commission* [4 April 2024, at 2] < [Discussion Paper.pdf](#) >

⁴ “Roadblocks and Solutions” *Master Electricians Australia* <<https://www.masterelectricians.com.au/wp-content/uploads/2024/01/DER-Policy-Working-Paper.pdf>>

⁵ “Power of Choice for customers” *Energex* <Power of Choice for customers | Energex>

upgraded meter panels since then have had digital smart meters installed that record energy usage in smaller increments and can interact remotely with electricity retailers, however there are still a lot of existing dwellings that have older motorised meters that do not have these modern features.

In 2017, the ownership of the meters passed from the DNSPs to the Electricity Retailers, but as the retailers do not have the technical capability to install or replace meters, an extra layer of provider entered the market to fulfil this role, namely Metering Service Providers. The level of complexity that the Power of Choice reforms has introduced into the market has caused extra costs to consumers and delays to the provision of services.

The replacement and installation of meters is not a complicated task for a trained electrician, and there are clear guidelines federally, and in each jurisdiction that outline the standards that must be met for metering installations. MEA believes that for existing installations with old meters, it would be more efficient and a lower cost to consumers to allow trained Electrical Contractors and their workers to upgrade metering in the course of their general business, rather than exclusively via the electrical retailer and their metering co-ordinators.

MEA commends the AEMC's proactive efforts in addressing the inefficiencies of smart meter deployments but stress that utilisation of licenced electrical contractors must have greater recognition in addressing current inefficiency.

National Electricity Amendment Rules

Chapter 7: Testing and Inspection

Asset management Strategy Objective

Testing and Inspection Strategy

Clause S7.6.1(k) drafts –

The objective of an asset management strategy (Asset Management Strategy Objective) is for metering coordinators to have a testing and inspection strategy in place to reliably test metering installation accuracy and identify metering installation

condition faults in a reasonable period, having regard to the costs and benefits to consumers”.

MEA advocates for licensed electrical contractors to be automatically recognised as accredited service providers (ASPs) to efficiently and accurately test and identify faults in type 4 meters. The private electrical industry possesses the necessary expertise to not only identify these faults but also resolve them swiftly.

We assert that the draft rules should be revised to reflect this stance, ensuring that the private electrical industry has authority to perform private installation and maintenance activities in conjunction with their general course of business. A holistic approach to the commissioning function should be retained by the Market Coordinator to facilitate seamless integration with the primary settlement point.⁷ MEA advocate this will alleviate pressures on retailers to achieve interim and replacement deadlines by providing additional resource to support the universal adoption of smart meters.

Maximum Period Between Tests

In light of clause 12, Table S7.6.1.2, MEA recommends cyclical testing of smart meters every five years. This task should be carried out by the private electrical industry, with the costs distributed across consumers' energy bills.

Chapter 11: Legacy Meter Replacement Plan (LMRP)

Opt-Out Removal.

MEA supports the proposed amendments that remove customers' ability to opt-out of transitioning from type 5 and 6 meters to type 4 meters under the accelerated deployment plan.

Replacement Deadline

The 2030 Deadline.

MEA commends the ‘Replacement Deadline’ aimed at achieving “universal smart meter penetration by 2030”⁸. We agree that optimised CER benefits “depend on achieving much

⁷ “Energy Policy” *Master Electricians Australia*

⁸ (n3) above , at [11].

higher penetration of smart meters than currently exists”⁹. Smart meters play a crucial role to unlocking CER’s benefits, enabling households and businesses to respond to price signals from Time of Use (ToU) tariffs, which not only reduces energy bills but also helps to maintain grid integrity through managing export and import loads.

MEA agrees with the AEMC that the draft rule would satisfy the NEO and NERO assessment criteria-¹⁰

- *Improve outcomes for consumers* – households will access cheaper energy sooner.
- *Support market efficiency* – through utilising the private electrical industry as additional resource, the draft rule will impose a targeted and efficient transition to type 4 meters.
- *Promote innovation and flexibility* – smart meters allow consumers to better respond to ToU tariffs. Where there is widespread utilisation of smart meters, customer demand will inherently expect more innovative, price competitive and flexible packages from their retailers.
- *Contribute to emissions reduction* – smart meters support Solar photovoltaic panels and battery energy storage systems (BESS).
- *Address implementation considerations* – an intentional plan utilising the licenced electrical workforce will allow for efficient and reliable implementation of universal smart meters. Utilising the private electrical industry will also create market competition, driving down installation costs.

Actioning the 2030 Deadline

MEA agrees that the current metering framework has faced challenges including “process inefficiencies in smart meter deployments, leading to higher costs”. MEA advocates licenced electrical workers, recognised as accredited service providers (ASPs), are the key solution. Given the lack of a nationally harmonised legislative framework for electrical installation work, we propose recognising licenced electrical contractors as ASPs will facilitate retailers in achieving installation and maintenance targets. Many consumers will appreciate having an electrician handle smart meter installation while attending to other electrical issues. This

⁹ (n3) above, at [11].

¹⁰ (n3) above, at [iv].

approach simultaneously reduces the number of households that retailers need to convert to type 4 meters. We can expect the private electrical industry to expedite the installation and replacement of type 4 meters while also reducing costs through enhanced market competition.

Interim Targets

The interim period targets of 15-25 per cent of total number of Legacy Meters as per cl 11.[XXX].2 implements a proactive management strategy.

While we support the cl 11.[XXX].6 Interim Targets provision, we query what the intended strategy is in circumstances where retailers begin materially failing to reach interim targets, as this will likely impact the replacement deadline. Although there is a civil penalty for failure to achieve 100 per cent of targets by the replacement deadline, we believe earlier intervention is necessary where possible. Such intervention does not necessarily need to be pecuniary in nature. We emphasise that recognising the private electrical industry as ASPs will assist retailers achieve interim targets. Utilising the electrical industry must be a proactive initiative to address any resource constraints retailers may experience.

As per cl 11.[XXX].2(4), Local Network Service Providers must have regard to “appropriate and efficient workforce planning, including in regional areas”. The licensed electrical industry has the skills to support the efficient and timely implementation of the LMRP and to assist in achieving the interim targets for type 4 meter installations by providing additional resource capacity.

The note in cl 11.[XXX].2 states “*Legacy Meters* may be most efficiently retired in geographic groupings, such as by postcode, zone substation or meter reading route”. We caution that the LMRP should consider equitability for those remaining on the legacy meters until later in the LMRP period. The strategy must be considered in collaboration with the electrical industry. Smart meters, when utilised in conjunction with ToU tariffs, can significantly reduce energy costs for consumers. As more consumers become increasingly independent of the grid, those remaining on legacy meters may ultimately become burdened with excess costs due to a reduction in the number of consumers being charged through legacy meters. The decision ultimately needs to seek balance between equity and efficiency.

Reporting

MEA advocates the mandatory reports to be provided by affected retailers under cl 11.[XXX].8 are to be made publicly available to ensure transparency and accountability.

Prohibition on Retailers Charging Upfront Costs and Exist Fees for Legacy Meter Replacement

MEA strongly supports cl 11.[XXX].9 which prohibits retailers from imposing upfront charges or exist fees onto small customers. MEA are staunch advocates for equitable integration and access to CER, advocating for key financial policies such as Rewiring's *Electrify Everything Loan Scheme*¹¹ and government rebates and / or subsidies. Our financial policy position is driven by recognition that vulnerable households, such as low-income families and tenants, face challenges in accessing CER. Clause 11.[XXX].9 addresses and protects these considerations of inequality.

National Energy Retail Rules

Notice to Small Customers

MEA recognises several amendments have been made to Rule 59A throughout the draft amendment rules to reflect the removal of consumers ability to opt-out of transitioning to a smart meter. We support these amendments.

Mandatory to Install Type 4 Meters Upon Request.

MEA further supports the amendment to obligate retailers to replace consumers' smart meters under Rule 59AA. It is not currently mandatory for retailers to fulfil such a request.

¹¹ "Electrify Everything for Everyone" *Rewiring Australia* < Electrify Everything Loan Scheme (EELS) (rewiringaustralia.org)>

Conclusion

Big change has taken place in the electricity market since the Power of Choice¹² deregulation in 2017 that took the ownership of meters away from the DNSPs and handed them to the retailers. These changes were supposed to bring increased competition and innovative retail tariff products for consumers once digital “Smart” meters were installed.

The roll-out of the installation of Smart Meters has been too slow in the existing home market, with Electricity Retailers and their Metering Providers creating complexity and cost in the upgrade process. This has also slowed the offering of innovative electricity retail products.

MEA advocates for licensed electrical contractors to be recognised as Accredited Service Providers (ASPs) for installing, testing, and maintaining type 4 meters. This will allow the electrical industry to play a supportive role in facilitating and successfully achieving interim and replacement deadlines. This proposal aims to address the inefficiencies observed in smart meter deployments, which have led to higher costs and delays. By leveraging licensed electrical contractors' expertise, the industry can reduce connection times, enhance the consumer experience, and lower overall smart-meter rollout expenses. Additionally, empowering licensed electrical contractors as ASPs facilitates a swifter transition to a responsive electricity grid, capable of effectively utilising CER. The current complexities in smart meter deployments hinder the full optimisation of CER benefits, prompting MEA's call for streamlined processes and greater acknowledgment of licensed electrical contractors' roles.

In conclusion, MEA commends the AMEC's proactive efforts in addressing the inefficiencies of smart meter deployments. However, MEA emphasises the importance of recognising licensed electrical contractors as key stakeholders in the deployment process. By empowering these professionals as Accredited Service Providers, the industry can overcome roadblocks, accelerate smart meter installations, and unlock the full potential of CER.

¹² “What does ‘Power of Choice’ mean for consumers?” *Australian Energy Market Operator* [07 December 2017] < [AEMO | What does 'Power of Choice' mean for consumers?>](#)