

30 May 2024

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

Submitted online via: www.aemc.gov.au

Reference ERC0378

Dear Sir/Madam

Australian Energy Market Commission (AEMC) Draft Rule Determination Accelerating Smart Meter Deployment (Draft Rule)

Thank-you for the opportunity to provide a submission in response to the AEMC's Draft Rule.

Momentum Energy Pty Ltd (**Momentum, our or we**) is an Australian operated energy retailer, owned by Hydro Tasmania, Australia's largest generator of renewable energy. We pride ourselves on providing competitive pricing, innovation and outstanding customer service to electricity consumers in Victoria, New South Wales, South Australia, Queensland, the ACT and on the Bass Strait Islands. We also retail natural gas to Victorian customers.

1. Comprehensive Consultation

Momentum acknowledges the comprehensive review undertaken by the AEMC on the proposal to accelerate the deployment of smart meters into non-Victorian jurisdictions of the National Electricity Market. This review occurred from December 2020 to August 2023 benefiting from significant support and input from stakeholders across the energy landscape, including consumer and industry representatives. It also benefitted from the success of the existing smart meter market lead roll out, undertaken by retailers, since 2017 whereby smart meters have been installed to new sites, upon meter failure or on customer request. This has resulted in approximately 25% smart meter penetration at least cost with minimal impact to customers. It has also facilitated consumers' desire to capture additional electricity supply benefits following the installation of new consumer energy resource equipment as it has been developed and commercialised.

We are particularly pleased that the AEMC commissioned a robust cost benefit analysis that has identified that net benefits could now be achieved by accelerating the roll out of smart meters to all customers by July 2030. A high penetration of smart meters will deliver operational benefits related to interval metering, remote meter reading, remote connection services and the ability to offer innovative tariffs that will support the transition to renewable electricity generation.

2. Specific issues with proposed draft rules and the implementation schedule.

In the table below we raise concerns and suggested changes for specific draft rules and procedures:

Item	Issue/Draft Rule	Momentum Comments
1	National Electricity Rule (NER)11, (XXX).8 Reporting	<p>While we understand the importance of achieving the deployment of smart meters to all customers by July 2030 (Final Interim Period) and that this retailer obligation will be a civil penalty provision, we believe the annual Interim Period reporting obligations are unnecessarily onerous. During the consultation period for this rule change it has generally been accepted that retailers would have flexibility in their annual approach to replacing meters allocated under the Legacy Meter Replacement Plan (LMRP) as external factors such as site access, site defects, emergencies, floods, meter availability, resource constraints, pandemics etc may delay or impact the annual deployment of meters. For example, draft rule NER 11(XXX).8(2) requires specific annual detail on the number of LMRP customers switching to a retailer. Collating the number of customers that switch retailers when part of the LMRP will require detailed tracking, system changes and resources.</p> <p>Draft rule NER 11(XXX) 8 (5) seeks annual explanations of compliance and non-compliance with meter deployment and plans to remediate any non-compliance. Already we note that one NSW distributor has suggested, in their draft LMRP, that the final year of the deployment LMRP will be a mop up year to address meters not installed in previous years due to various issues. We consider this to be a reasonable approach that should equally be reflected in the mandated reporting by retailers to the AER. We propose that the Interim Period reporting be simplified to only include the number of smart meters installed and the number of meters allocated under the LMRP.</p>
2	National Energy Retail Rule (NERR) – Rule 59A New notice to customers	The proposed retailer notice to customers mandates at least 4 Business Days' notice of a meter change. We believe this provision needs an exemption for meters that are part of the LMRP that malfunction. These meters need to be replaced urgently to ensure continuity of supply. This provision needs to allow post meter change installation notification to customers by retailers.
3	NERR – Rule 59AAA (2) Site Defect Notices Retailer Switching	This provision covers meter changes for customers that have churned away or involve a move-in customer following the initial retailer advice of meter change to the former customer. It requires the new retailer to determine the current status of the customer site remediation process, commenced by the previous retailer, and progress it for the meter change. While new transactions and changes to National Metering Identifier (NMI) discovery are expected to provide some information of the status of the meter change process, they will not be comprehensive. Momentum believes the obligation should be for the new retailer to recommence the meter change process back to the commencement to ensure notifications and advice are consistent. The draft rule, in its current form, presents non-compliance risks for retailers as they may not have complete information of the former process and communications that have been undertaken with the customer by their previous retailer.

4	Metering Co-Ordinator (MC) access to NMI Discovery in MSATS	MC access to NMI discovery was discussed in the AEMC Review of the Regulatory Framework for Metering Services Final Report. The Final Report discussed the value of giving access to MCs for NMIs that they were not responsible for to support industry co-ordination of meter changes for shared fused sites. The Draft Rule is silent on this suggested rule change. Momentum believes MC access to NMI discovery would assist metering parties to resolve customer complaints and enquiries more efficiently for shared fuse sites.
5	NER Amendment-2 Commencement Shared fusing meter replacement procedure - effective date.	This Draft Rule establishes the commencement of the new Shared Fusing Meter Replacement Procedure effective 22 January 2025. Momentum believes that this new procedure requires new transactions for retailers, distributors and metering parties to interact efficiently. These new transactions are not scheduled for implementation until at least May 2025. We therefore believe that the effective date of this provision should be aligned with the accelerate meter deployment commencement date of 25 July 2025.
6	Site Defects – general approach	Momentum suggests that the proposed new site defect flag be made available via the market settlement and transfer solutions (MSATS) system rather than the proposed business to business (B2B) transaction as it allows a more transparent flag of the defect for all existing or changed parties involved at the site. The proposed B2B solution could present a barrier for use cases where the original MC, who discovered the defect, has been changed due to a customer churn or move in for the site. All financially impacted parties should have access to the defect flag if they desire, especially the metering parties who also have the requirement to update the flag.
7	Power Quality Data (PQD)	We believe that the requirement for the provision of PQD should be a simple pass through of the raw meter data to minimise the complexity and costs to provide this data. This obligation should also be deferred until at least July 2026 so that the focus on the smart meter deployment can be maintained.

3. Vulnerable Customer Support

We encourage governments to establish support arrangements for vulnerable customers, well in advance of the commencement of the accelerated deployment program, to assist those customers unable to fund the cost of meter board upgrades etc that are identified during the smart meter installations. This will help to minimise customer concerns raised during the pre-deployment customer communications campaign, reducing negative consumer sentiment and possible obstructions to the deployment program that occurred with the smart meter roll out in Victoria from 2007 – 2012.

4. Summary

While Momentum appreciates the various benefits of the Draft Rule, we are concerned with the complexity and extent of the changes required to both B2B and MSATS procedures and the compressed timelines to develop and implement the associated changes to the market procedures. We understand that the final procedures will be published in November 2024 with implementation scheduled by May 2025. With the holiday break occurring between



December to late January this only allows around 3 months to build and test system changes. Many of these new procedures are fundamental to the success of the meter deployment, particularly where single site fuses exist (which we have been advised are quite prevalent in some jurisdictions). Various consumers will be subject to the “one in all in” process that has been regulated so it will be vitally important for this complex process to be successful. Any delays or poor customer experiences from this aspect of the meter deployment could result in negative consumer perceptions for the entire meter deployment program. Therefore, we urge the AEMC and Australian Energy Market Operator to reconsider the timeline even if it requires a 3- 6 month delay in the proposed meter deployment.

Should you require any further information regarding this submission, please don't hesitate to contact me on 0478 401 097 or email randall.brown@momentum.com.au

Yours sincerely

[Signed]

Randall Brown

Head of Regulatory Affairs