



30 May 2024

Julia Cassuben
Senior Adviser
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Email: www.aemc.gov.au
Project reference code: ERC0378

Dear Ms Cassuben

RE: SUBMISSION TO AEMC – DRAFT RULE DETERMINATION – ACCELERATING SMART METER DEPLOYMENT

Origin Energy (Origin) appreciates the opportunity to provide a submission to the Australian Energy Market Commission's (AEMC) draft rule determination for accelerating smart meter deployment and accompanying proposed changes to the National Energy Retail Rules (NERR) and National Electricity Rules (NER).

Origin supports the accelerated deployment of smart meters in conjunction with existing deployment programs. Provided the facilitating arrangements can be expeditiously implemented, we consider the proposed universal uptake of smart meters by 2030 is achievable.

Origin is largely supportive of the AEMC draft determination and draft changes to the NERR and NER required to facilitate the accelerated roll out of smart meters. However, we have identified a number of issues associated with the operationalisation of the proposed rule changes, including for example identifying and recording defects on shared-fuse sites and the process for notifying customers of site defects and tariff changes. Our proposed amendments seek to clarify or streamline the identified processes to promote an efficient replacement program and ensure a positive customer experience. It is possible that further implementation issues will be identified once the roll-out program commences in earnest and we encourage the AEMC and AER to retain sufficient flexibility to accommodate potential future issues. This flexibility should extend to the underpinning Australian Energy Market Operator business-to-market and Information Exchange Committee business-to-business procedures associated with metering deployment.

Origin's response to key proposed amendments to the NERR and NER and the AEMC's supporting commentary in the draft determination are provided below at Attachment A.

If you have any questions regarding this submission, please contact Gary Davies in the first instance at gary.davies@originenergy.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Sean Greenup".

Sean Greenup
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Attachment A

Table 1: Origin response to rule change issues

Clause / Reference	Issue	Origin response
NERR		
Rule 59AAA Site defect notices.	<p>The site defect notification procedure does not facilitate defect lodgement for shared-fuse sites:</p> <ul style="list-style-type: none"> • Under the current draft rules, the metering coordinator (MC) that discovers the defect on a site, updates MSATS and informs its retailer. • Under this approach, only one NMI on a shared-fuse is flagged as defective, while other NMIs on the shared-fuse remain unflagged. Subsequent visits would be required by the responsible MC for each individual NMI at the shared-fuse site. • This would result in a poor customer experience, wasted truck visits and additional cost to the industry. We note, for example, it is not uncommon for sites to have more than 10 NMIs on a shared-fuse. 	<p>Require a process where all NMIs on a shared-fuse are marked as defective in MSATS following the initial defect discovery:</p> <ul style="list-style-type: none"> • Where an MC discovers the defect, it should note all the “Meter Serial Numbers” on the shared-fuse and provide it to the DNSP. • DNSP can then perform a desktop exercise and identify all NMIs associated with the Meter Numbers provided by the MC and update the defect flags in MSATS. <p>This proposal takes into account the current MC limitations on NMI discovery, where an MC cannot identify the current FRMP, but they can provide meter numbers to the DNSP that can be used to find the NMIs (which aligns with current industry processes).</p> <p>Origin considers that the DNSP is the only common link across all NMIs and should be provided with all the necessary information so that defect information can be entered in MSATS by the DNSP.</p> <p>The proposal eliminates the need for site visits by any subsequent MCs or DNSP for site scoping – the work required by the DNSP under this proposal is purely administrative and B2B processes can be established relatively easily to manage the information exchange.</p>
	<p>The process does not cater for new customers moving into a property with a known defect, for example:</p> <ul style="list-style-type: none"> • New customer moves into the property with same retailer “mid-cycle”. • New customer moves into the property with another retailer “mid-cycle”. 	<p>Where a new customer moves into the property with the same retailer or another retailer and a defect notice has been previously issued or notices have been issued and the defect remains unresolved, we consider the notification process should be re-triggered for the new customer.</p>

	<ul style="list-style-type: none"> • New customer moves into the property with same retailer after completion of the “defect lifecycle”. • New customer moves into the property with another retailer after completion of the “defect lifecycle”. <p>In these situations, the new customer is unlikely to be aware that a defect notice has been issued or a defect is unresolved. Subsequent correspondence to the new customer associated with the defect is likely to confuse the customer and result in a poor customer experience.</p>	<p>The AEMC should include a provision in the rules that in the event of a customer change at the site, or upon a retailer becoming aware of an existing defect on a site (by way of MSATS standing data upon completion of a retailer churn), that the prescribed notices under NERR 59AAA(1)(b)-(f) are required to be sent to the customer.</p>
	<p>The process is not clear for unoccupied sites (e.g., vacant premises):</p> <ul style="list-style-type: none"> • It is not clear how the retailer notification requirements operate if there is no active customer contract. • A retailer may still be a current FRMP but due to the absence of any occupier, the notification of defect rectification appears a pointless exercise. 	<p>While the defect can still be flagged in MSATS, Origin suggests that the customer notification process should only apply for sites with an active contract with their retailer and not for vacant premises.</p>
<p>Schedule 3 Division [X] - Change to tariffs or charges.</p>	<p>The draft rule introduces new customer notification requirements (30 business days) for retail tariff changes.</p> <p>We question why a new rule is required given the current tariff change notification process under NERR rule 46 appears to be operating effectively.</p> <p>It is also not clear how the proposed new notification rule is expected to interact with the existing requirements under rule 46.</p>	<p>We consider that current customer notification requirements under NERR rule 46 are operating effectively and consider there is no basis for the introduction of the proposed new notification requirements.</p>
	<p>Notwithstanding the above, the proposed draft rule has no caveats regarding the 30 business days retail tariff change notification requirements:</p> <ul style="list-style-type: none"> • This could be detrimental for customers requesting a meter exchange to support solar, or a controlled load installation, for example: <ul style="list-style-type: none"> ○ Origin could install a meter for solar, but not be able to provide the customer the tariff for another 30 business days. ○ Origin could upgrade basic meter with a comms meter to facilitate a 	<p>Origin proposes the AEMC consider exceptions to the rule, to provide benefits to the customer, i.e. the proposed change in rule should only apply to meter exchanges not initiated by the customer.</p> <p>Where the customer has initiated the request, notification should be subject to the existing guidelines for notification as per rule 46 of the NERR.</p>

	<p>change in a customer's hot water schedule, which cannot be provided for another 30 days after the metering installation.</p>	
	<p>The application of a 30 business day notification requirement creates a potential mismatch between the network and retail tariffs, with retailers bearing any shortfall cost.</p> <p>Following an LRMP meter exchange, any associated new network tariff cannot be applied to customers until the retailer processes the new network tariff and provides the required 30 business day tariff change notification to customers.</p> <p>In the interim, the existing network tariff continues to apply to the customer and the retailer bears any shortfall between the existing and new network tariffs. This is an unreasonable outcome for retailers.</p> <p>We note that in the majority of cases, the new network tariff is only known to the retailer once the smart meter is installed, as it depends on how the meter is configured on the day. Accordingly, it is not practical for retailers to proactively commence the retail tariff process (including notification) prior to the installation of the meter.</p>	<p>We consider that networks should allow up to 45 business days transitional period before the network tariff is updated for LMRP exchanged meters. This will allow retailers sufficient time to process the new network tariff and provide 30 business days' notice to customers and also ensure the network and retail tariffs are aligned.</p>
<p>Rule 59A</p>	<p>Potential for retailer non-compliance in moving from the existing NERR to the new NERR:</p> <ul style="list-style-type: none"> • Where a meter installation commences under the current rules but is not installed until after the commencement of the new rules, there is a risk of non-compliance with the new rules, as the retailer's correspondence will not meet the obligations under the new rules. <p>No provision for known defects on existing sites:</p> <ul style="list-style-type: none"> • Retailers have been installing smart meters since 2017 and have considerable site information that could be utilised. 	<p>Origin proposes that the new rules include a transitional period for deployments that started under the existing rules that allows for these to be completed under those rules.</p> <p>We propose that where a defect has been identified during the last 12 months (or other period recommended by the AEMC) from the commencement of the new rules, it should be flagged in MSATS, and customer notification requirements should proceed i.e. without the need for a site visit.</p>

		Retailers and MCs should be given a minimum of 3 months transitional period after the commencement of the new rules, to ensure this data is collected and imported in MSATS.
Schedule 3 Savings and Transitional Amendment to the National Energy Retail Rules	The draft rule under Division [X] Clause 2 suggests “(1) This Division [X] applies only where the variation to the tariff or charge occurs between 1 July 2025 and 31 December 2030.” which is confusing because Schedule 3 is being proposed to commence operation from [25 July 2024].	Origin suggests clarifying this provision and aligning the effective date of this schedule to commence operation from [26 June 2025] in line with Schedule 2 of the NERR.
Implementation of Schedule 1 NERR changes	<p>The timeframe between the AEMC final decision (July) and proposed implementation timeframe of 25 July 2024, does not provide retailers with sufficient time to amend existing processes, notices, and contract terms.</p> <p>There are fundamental changes being proposed to the NERR 59A that will have an operational impact on existing processes, require system changes and introduction of notices that were not previously required for some customers (market retail contract customers were exempt from notice requirements under NERR 59A(8)).</p>	We propose that the AEMC consider extending the implementation date of Schedule 1 from 25 July 2024 to 31 September 2024 to allow retailers time to uplift processes and systems to support the new requirements.
NER		
Clause 7.15.5 - Access to energy data.	<p>The proposed inclusion of “(c2) <i>Only the Local Network Service Provider [MR1] in respect of a small customer metering installation and AEMO may receive power quality data for a metering installation.</i>”, could be interpreted as prohibitive for retailers.</p> <p>Retailers may seek power quality data to aid in the development of customer product offerings.</p>	We propose that the clause be amended to ensure that retailers are also provided access to power quality data for metering installations if requested.
New rule 11. [XXX].11 - Amendments to Market Settlement and Transfer Solution Procedures.	The draft rule (a)(1) obligates AEMO to update procedures to specify “ <i>the information that must be recorded by a Metering Coordinator where it identifies a site defect during a site visit to replace a Legacy Meter, and details of which parties may access that data, which must be restricted to the financially responsible Market Participant</i> ”.	<p>We seek confirmation that restricting access to defect information to the FRMP only was intentional.</p> <p>To the extent this is the case, we propose that the restriction be removed and any party who is associated with the NMI should be able to access the information, especially where the MC is being obligated to update the defect in</p>

	<p>This appears to restrict access to defect information to the FRMP only.</p> <p>Restricting defect information to the FRMP results in inefficiencies in retailer processes as the retailer would then need to communicate defect information to MCs when requested. This is likely to impact deployment efficiencies.</p>	<p>MSATS but is unable to view the data itself.</p> <p>We consider that MSATS is designed to allow participants who are a party to a NMI access to the standing data in MSATS.</p>
<p>Schedule 1 - 7.8.10D Shared fusing meter replacement procedure.</p>	<p>The rule change indicates that Schedule 1 of the Rule commences operation on 22 January 2025. This includes the process for shared-fuse meter replacements set out in clause 7.8.10D.</p> <p>We note, however that the site defect notices process set out in Rule 59AAA of the NERR does not commence until 26 June 2025.</p> <p>This suggests that site defects found at shared-fuse sites would not be captured in MSATS until June 2025 (the commencement of the site defect notice period). This appears to be an oversight.</p>	<p>Origin suggests that Schedule 1 of NER Rule should align with the commencement of Schedule 2 of the NERR that is proposed to commence operation on [26 June 2025].</p>
Draft Determination		
<p>3.1.2 - industry to collaborate on planning and delivery.</p>	<p>The AEMC indicates that it has decided not to require DNSPs to provide further information to retailers and MCs to support installations, as contemplated in the Review (p.15).</p> <p>The proposed restriction on data provision will potentially undermine the deployment process.</p>	<p>We consider that the blanket information restriction should be removed. DNSPs have advised us that there are situations where relevant information is held by DNSPs that is not available within MSATS however can be provided using existing B2B processes including remotely located sites, chronic no-access related sites, sites with known hazards including aggressive customers, dogs, sites requiring customer consultation for solutions (e.g., high-low meters, red toggle issue or other known obsolete or non-replicable technology), etc.</p> <p>We consider that reasonable retailer information requests that support effective deployment should be permitted.</p>
<p>3.4.2 - customers to request and receive a smart meter for any reason.</p>	<p>Retailers would be required to fulfill any customer-initiated request within the existing installation timeline requirements in the NER (cl 7.8.10B(a)) i.e. within 15 business days (p.24).</p>	<p>While Origin will use best endeavours to comply with the 15 business day requirement for customer-initiated meter installs, we consider that retailers should be provided sufficient discretion. Unless the meter request relates to solar services or controlled load, we consider</p>

	<p>This requirement has the potential to undermine the LMRP-led roll-out where the volume of customer-initiated requests becomes excessive. Excessive requests could lead to a disjointed roll-out process.</p>	<p>that the LRMP schedule should prevail over individual requests i.e. the 15 business days install requirement should not apply.</p>
<p>3.5.4 - establish a process to encourage customers to remediate and allow retailers to track site defects.</p>	<p>For cases where the customer switches retailers, recording the notice issue dates would inform the incoming retailer of the remaining steps in the process and their obligations (p.29).</p> <p>We consider that reliance on other retailers' customer communications can be problematic. Retailers may adopt different communication protocols and templates. These differences may result in confusion for customers and a poor customer experience.</p> <p>Importantly, we consider it unnecessary (and impractical) to record notice issue dates in MSATS. Given the defect date is already entered in MSATS, there is no need for notice information to also be included.</p>	<p>Origin's preferred approach is that the notification process be reinitiated when there is a change in retailer or customer. This allows for a consistent customer communication process.</p> <p>A less preferable alternative is for retailer notices to be sent to the customer based on the original date of the defect being entered in MSATS by the MC. The new retailer can then work backwards to determine the stage of the communication process based on the notification procedure set out in the NERR. The new retailer can then send out the relevant notification (unless the period from the original defect exceeds 95 days in which case no further correspondence is required).</p>