

20 May 2024

AEMC
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Reference: ERC0378, Draft National Energy Retail Amendment (Accelerating smart meter deployment) Rule 2024

Submitted confidentially

Disclaimer: I make this submission as an individual electricity residential customer. The opinions expressed in this submission do not reflect the positions of any current, or former, employer; or any organisation I may be, or have been, associated with.

More consumer protection

The Draft National Energy Retail Amendment as proposed by the AEMC (Schedule 3 Savings and Transitional Rules, to amend Part 19 after Division 1) does not go far enough in protecting small customers from being assigned to a time-of-use tariff without their consent. While the proposed amendment will oblige retailers to give small customers at least 30 business days' notice prior to a tariff variation, it does not allow the customer to reject the new tariff.

Small customers should have the choice of whether to switch to a time-of-use tariff, or not. This is regardless of whether the electricity retailer had a smart meter deployed at the small customer's premises, and whether the retailer is paying time-of-use tariffs to the distributor. The Draft National Energy Retail Amendment should specify that **a retailer must obtain express consent from a small customer before assigning them to a time-of-use tariff**. The onus should be on the retailer to obtain this consent.

Residential customers have limited opportunity to shift their demand for electricity to time of lower tariff, unless they own a battery (or an electric car with bidirectional charging capability) which can power the residence at times of high tariffs. Dinner time will always be when the sun stops shining. Batteries and electric cars are very expensive and can only be afforded by the wealthy few. Forcing customers onto time-of-use tariffs as part of the deployment of smart meters will further disadvantage vulnerable customers, entrenching economic inequality. This is not in the long-term interest of consumers of electricity, and is against the National Electricity Objective.

While transmission of market signals via time-of-use tariffs to large industrial and commercial customers that can invest in technology to shift their consumption profile makes sense, it does not make sense where small customers are limited by life factors as to how much of their demand load they can shift.

The market is not the solution to all problems, especially when some problems might be better solved at a grid level, such as with a national policy to invest in neighbourhood batteries, which may prove more efficient than having individual customers making localised investment decisions, independent of grid planning. This was demonstrated by the piecemeal rollout of rooftop solar, and its consequences on the stability of the grid.

More information for small customers

Accelerating the deployment of smart meters should rather focus on education and sensibilisation of small customers, by providing a free in-home wireless display along with every smart meter, as well as access to an app showing real-time electricity usage and costs.

As of May 2024, a Queensland customer with an Intellihub smart meter can only view their daily usage data 1-2 days later using their retailer's app, making it impossible to adjust consumption in real time.

Importantly, electricity customers should have the choice whether they want to be monitoring their electricity consumption in real time, it should not be imposed on them by a mandatory assignment to a time-of-use tariff. Being an electricity customer should not have to be a full-time job.

If the AEMC chooses to go ahead with this Draft National Energy Retail Amendment, it should make the retailer **automatically** provide small customers with the estimate of what the small customer's historical bill would have been under the varied tariff or charge, compared to the bill that the customer received under the previous tariff or charge, rather than make the retailer inform the customer that they can request it. If the retailer is allowed the mandatory assignment of small customers to time-of-use tariff without their consents, the burden of providing information should be on the retailer, not on the customer to request it.

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