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30 May 2024

Ms Julia Cassuben
Project Director
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Submitted electronically

Dear Ms Julia Cassuben,

Re: Draft Rule Determination - National Electricity Amendment (Accelerating Smart Meter Deployment) Rule, and National Energy Retail Amendment (Accelerating Smart Meter Deployment) Rule (ERC0378)

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to respond to the Australian Energy Market Commission's (the Commission's) draft rule determination for Accelerating Smart Meter Deployment (ASMD). We acknowledge the important role that smart meters will play in the energy transition, while also granting consumers greater visibility and therefore, control over their energy consumption.

This submission focuses on specific issues of implementation and consumer experience. As a general point, we acknowledge the reasons why the Commission is proposing a commencement date of 1 July 2025. However, this compresses the time available to industry to develop supporting Procedures and to implement changes to systems and processes. It is possible that this will result in some unforeseen issues that may take some time to resolve after the ASMD commences.

We encourage the Commission to keep this in mind as it considers implementation dates for other regulatory initiatives and rule change proposals (such as *ERC0346: Unlocking CER benefits through flexible trading*). We also see some opportunities for the Commission to adjust its proposal to better align the implementation of specific elements of the ASMD with established industry timeframes. This will streamline and reduce implementation costs.

The remainder of the submission focuses on four specific issues arising from the Commission's draft determination, as follows:

- greater flexibility for retailers to communicate with their customers ahead of a meter exchange when they have obtained explicit informed consent for the interruption of supply.
- amendments to the proposed advance notice period for changes to consumers' tariffs to minimise the disruption to current processes and allow sufficient time for

retailers to implement the changes. This would also allow consumers to start to benefit from their investment in solar PV as early as possible.

- recommendation to include the nature of site defects and the date on which a metering provider identifies them, as Standing Data in MSATS. This would create a central record of the single most critical impediment to the installation of a smart meter.
- alignment of changes to the *Shared Fusing Meter Replacement Procedure* with the prescribed industry change release date in May 2025. The Commission's proposal for this change to take effect on 22 January 2025 ahead of the commencement of other complementary changes offers no benefit to consumers or to industry. It is better to align with the ability for networks to request to the AER that they share the charge for the temporary supply interruption across the impacted retailers.

Notice to small consumers where EIC is obtained

The Commission proposes a minimum of 4 business days' notice for all small consumer meter replacements '*even where it is not a new meter deployment*'. However, this fails to acknowledge that consumers may need an urgent meter exchange or may provide consent for the meter exchange to occur sooner. Moreover, the Commission's *Metering Installation Timeframes* rule change in 2018 (ERC0236) provided greater flexibility for retailers and their customers to account for specific circumstances and events, and for exchanges to occur at the convenience of both parties. The Commission's proposal would remove that flexibility.

Our preference is for the Commission to retain the current obligations under rule 59C, which provide flexibility but also ensure that meter exchanges only occur when consumers are adequately informed about and then consent to an impending interruption to supply.

Prescribed notice periods ahead of meter exchange

Red and Lumo acknowledge the need for consumers to receive information that helps them understand the need for and benefits of their meter exchange. However, we recommend the Commission consider changes to its draft proposal. We note the Commission expects to publish the final rule determination on 11 July but expects retailers to comply with some notification provisions from 25 July. This does not provide sufficient time for retailers to amend their notices and deliver them to their customers. We also note that metering coordinators are required to address installation malfunctions within 15 business days

Therefore, we recommend the Commission consider a transitional period or delay its commencement. Red and Lumo recommend that the Commission insert a transitional period of 6 months to National Energy Retail Rules (NERR) Schedule 1 changes to allow retailers to make the necessary changes to systems and processes for meter exchanges which are customer initiated or are required due to an individual or family metering installation malfunction. Otherwise, we expect industry will temporarily cease meter exchanges or we

will observe increased meter installation exemption requests while participants make the necessary changes to systems and processes.

A further issue arises from the Commission's proposal for a 30 business day notification ahead of a tariff variation that is the result of a meter replacement. Once again, we acknowledge the need for consumers to have sufficient notice of a variation in charges or tariff. However, there is an unintended consequence for consumers who install solar panels, as this will delay the benefit of their exported generation for at least 15 business days.

This is because the proposal that a retailer provide at least 30 business days works in tandem with the requirement for a retailer to attempt the installation or alteration of a consumer's meter within 15 business days of receiving the request. The tariff variation that accompanies the installation of solar panels cannot be applied until 30 business days have elapsed, which means the consumer will not receive the benefit of any exported generation for at least a 15 business day period.

Red and Lumo recommend the Commission reconsider this draft rule and amend the requirement from 30 to 5 business days notice in the event of a meter exchange. This retains the additional information requirement, noting that consumers can be encouraged to review their consumption pattern only after interval data is available from the meter.

More generally, we see a broader need for policymakers, regulators, consumer groups and industry stakeholders to work together on communications strategies relating to the ASMD, particularly given recent media coverage. It is important that consumers understand the benefits that smart meters offer but also what it means for pricing and for their consumption decisions. We also look forward to the Commission's forthcoming review of electricity pricing for a customer driven future, which will provide an opportunity to consider the interaction between network tariffs, assignment policies and retail pricing.

Nature of a site defect to be considered Standing Data

We recommend the Commission prescribe the nature of the site defect that prevents the exchange of a meter as Standing Data, meaning industry must record this critical piece of information in MSATS. This will lead to more efficient outcomes and a better experience for consumers. Recording the nature of the site defect (or the highest priority defect), the identity of the metering participant who identified that defect and the date on which it was identified would provide industry and consumers with a more complete record and facilitate more efficient processes for communication, reporting and rectification. Furthermore, there is precedent for capturing issues that impact metering installation to be considered Standing Data as the meter hazard field already exists in MSATS.

The alternative is that industry will need to develop additional capability—and at additional cost—to efficiently share information about the nature of the defect. This method would require additional steps (and, in our expectation, a new transaction) for retailers to contact

the metering coordinator who initially recorded the defect. The metering coordinator would then also need to validate if the retailer is entitled to the information before providing it.

Our specific recommendation is that the Commission consider declaring the nature of the site defect to be Standing Data; it is site-specific and a hazard preventing the exchange of the Type 5 or 6 meter for a Type 4 or 4A meter. This would provide visibility to all responsible participants of the reason for the Type 5 or 6 meter being present, aiding communication of the issue to consumers, and improving industry ability to report on these issues to the AER and jurisdictional governments if required.

A further benefit is that this works along with NERR 59AAA to ensure retailers send the appropriate notification to consumers without the need to record the dates of retailer notices in MSATS. In our view, this ensures consumers receive the information they need and industry would avoid the costly development of additional 'retailer notice' fields in MSATS. This letter and consumer contact cycle would be completed by the FRMP on the appropriate dates provided MSATS shows the date that the metering party identified the defect.

Including this date in MSATS means the retailer can provide an initial letter 5 business days after the discovery of a defect, a second letter 45 business days later and then a follow-up attempt to contact the consumer to confirm if the defect has been rectified after a further 40 business days. The proposed remediation field is also unnecessary as the defect field can, and should only, be updated to null or 'N' when the new meter is installed.

A retailer who is advised of the remediation of the site defect can request their metering coordinator arrange the replacement of the small consumer's meter with a Type 4 or 4A, noting that the consumer has advised the site defect is remediated. However, only when the metering provider has successfully installed the Type 4 meter, should the Site Defect field be updated in MSATS by the metering coordinator, indicating to industry that it is fully resolved, i.e. through installation of a new meter.

Alignment of shared fusing meter replacement procedure with other changes

We appreciate the Commission's intent in proposing separate effective dates for some elements of the proposed rules. However, the proposed effective date of 22 January 2025 for the *Shared Fusing Meter Replacement Procedure* will not offer any incremental benefit and our preference is to align the proposed changes. This element of the Commission's proposed changes operates in conjunction with the proposal to allow networks to obtain permission from the Australian Energy Regulator to share costs among participating retailers. This will not take effect until 1 July 2025. Moreover, our preference is for industry to implement the necessary B2B transaction changes through the industry change release in May 2025, alongside other ASMD changes

Other matters

Effective date for Power Quality Data changes

We refer to feedback from the Metering Services Review Working Group that industry needs time to develop and implement the procedures for a Metering Coordinator to provide Basic Power Quality Data to a Distribution Network Service Provider. The requirements of this rule change already create significant risk to industry and place considerable pressure on participants. This is due, in part, to the need for industry to address B2M and B2B procedures concurrently with the rule drafting. Industry will have barely 6 months to analyse, develop and test significant system and process changes. Therefore, we strongly urge the Commission to prescribe an effective date of 1 July 2026.

LMRP target of 10% in the 2029/2030 Interim Period

The current draft rule states a target of approximately 15–25% of meter exchanges in the last year of the Legacy Meter Replacement Program. Our strong preference is for a 10% target. This lower target would give industry sufficient capacity to prepare for the (highly uncertain) volume of re-work and follow up to address previously attempted sites. The extent of access issues, customer churn across the 5 year period, resistance to meter exchange and other unforeseen reasons, all of which are difficult to predict, warrant a conservative approach. Industry should be granted some latitude to account for this uncertainty.

About Red and Lumo

We are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail electricity and gas in New South Wales, Queensland, South Australia, Victoria and the Australian Capital Territory to over 1.3 million customers.

Red and Lumo thank the Commission for the opportunity to comment on the draft determination. Should you wish to discuss or have any further enquiries regarding this submission, please call Sean Jennings, Regulatory Manager on 0403 846 585.

Yours sincerely

A handwritten signature in black ink, appearing to read "G Hargreaves".

Geoff Hargreaves

Manager - Regulatory Affairs

Red Energy Pty Ltd

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